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BOSTON BOARD OF TRADE.

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REPORT

ON

STAMPING FREIGHT RECEIPTS:

MADE TO THE GOVERNMENT OF THE BOARD,
AND UNANIMOUSLY ADOPTED
SEPTEMBER 19, 1864.

BOSTON:

PRINTED BY JOHN WILSON AND SON.

1864.

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Jan 28, 1924

BOSTON BOARD OF TRADE,

55, MERCHANTS EXCHANGE,

BOSTON, Sept. 19, 1864.

At a meeting of the Government of the Board this day, the following "Report on Stamping Freight Receipts" was read and unanimously accepted.

Thereupon, it was voted, "That the Government of the Boston Board of Trade, having been requested by railroad managers, and by gentlemen representing other interests, to consider the provisions of the Internal Revenue Law, approved June 3, 1864, and to suggest a plan in reference to the affixing of stamps to freight and other receipts, hereby adopt the Report of the Committee charged with the investigation of this subject, and present the recommendations which it contains to the consideration of the mercantile community."

J. C. CONVERSE,

President.

Attest:

GEO. B. TOWLE,

Assistant Secretary.

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R E P O R T.

THE Committee of the Government of the BOSTON BOARD OF TRADE, appointed for the "consideration of so much of the recently enacted Internal Revenue Law as relates to the affixing of stamps to freight receipts," unanimously concur in submitting the following Report:—

The provisions of the law referred to, approved June 30, 1864, relating to the subject before us, are as follows:—

"SECTION 151. — *And be it further enacted*, That all laws in force, at the time of the passage of this act, in relation to stamp duties, shall continue in force until the first day of August, eighteen hundred and sixty-four; and on and after the first day of August, eighteen hundred and sixty-four, there shall be levied, collected, and paid, for and in respect of the several instruments, matters, and things mentioned and described in the schedule (marked B) hereunto annexed, or for or in respect of the vellum, parchment, or paper upon which such instruments, matters, or things, or any of them, shall be written or printed, by any person or persons or party who shall make, sign, or issue the same, or for whose use or benefit the same shall be made, signed, or issued, the several duties or sums of money set down in figures against the same respectively, or otherwise specified or set forth in the said schedule."

Extract from Schedule B.

“Receipts for the payment of any sum of money, or for the payment of any debt due, exceeding twenty dollars, not being for the satisfaction of any mortgage, or judgment or decree of any court, and a receipt for the delivery of any property, two cents”02

The Commissioner of Internal Revenue and his Deputy have written various letters, which have appeared in the newspapers, explaining the requirements of the law in reference to freight receipts and bills of lading. Two of these will be sufficient to show the views held at the Bureau.

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE,
WASHINGTON, Aug. 22, 1864.

SIR, — In answer to your letter of the 30th ult., I have to say, —

Receipts for the delivery of any property are chargeable with a stamp duty of two cents; and this applies to all dray receipts, and all receipts issued or received by steamboat, railroad, or express companies.

Bills of lading or receipts for any goods, wares, or merchandise, to be transported from any port or place in the United States, and to be delivered at any other port or place in the United States, are subject to the stamp duty of two cents.

Duplicates are subject to the same stamp duties as originals.

The question as to which party (the company or the shipper) shall pay the duty, depends entirely upon the circumstances attending the case. The company may refuse to issue a receipt, unless it be properly stamped by the shipper; or the shipper may refuse to forward his goods and effects without an appropriately stamped receipt issued by the company. The party furnishing the receipt must appropriately stamp and cancel it.

Very respectfully, JOSEPH J. LEWIS,
Commissioner.

E. L. PIERCE, Esq., Boston.

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE,
WASHINGTON, Sept. 8, 1864.

GENTLEMEN, — I reply to your letter of 31st ult., that a receipt sent by merchants, when they deliver goods to a ship or at a railroad depot, is entirely distinct and independent of a bill of lading. Two distinct objects are intended to be reached by these different receipts for the delivery of goods: therefore each is subject to a stamp duty; although they may be for the same goods.

The party executing the receipt would be liable to a penalty for any failure to affix and cancel the stamp.

Very respectfully,

E. A. ROLLINS,
Deputy Commissioner.

MESSRS. ———, Boston.

It will be observed that the portion of the letter to Mr. PIERCE, quoted above, treats of two points; each of which is quite distinct from the other. The first of these is the duty of affixing a two-cent stamp "to all dray receipts, and all receipts issued or received by steamboat, railroad, or express companies;" also to all "bills of lading or receipts" for property to be transported from one part to another of the United States. Your Committee are not aware that there is any difference of opinion among parties interested, in reference to the general obligation thus set forth, or any doubt as to the meaning given to the law by the Department.

The second point is, whether the shipper of freight or the railroad company shall pay for the stamp thus required. Upon this question there has been, and is, much diversity of opinion; and to this your Committee have given careful consideration. They have conferred freely with the managers of some of our most important railroads, with gentlemen representing various transpor-

tation companies, and with merchants; and in this way they have gathered much valuable information. It is greatly to be regretted that the law itself was not made to decide this controverted point, by establishing a rule which should fix the duty of the respective parties clearly and positively. By some, indeed, it is urged that such a rule, if not distinctly laid down, is certainly implied, in the one hundred and fifty-eighth section of the Act; which is as follows:—

“ And be it further enacted, That any person or persons who shall make, sign, or issue, or who shall cause to be made, signed, or issued, any instrument, document, or paper, of any kind or description whatsoever, or shall accept or pay, or cause to be accepted or paid, any bill of exchange, draft, or order, or promissory note, for the payment of money, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the duty chargeable thereon, with intent to evade the provisions of this act, shall, for every such offence, forfeit the sum of two hundred dollars; and such instrument, document, or paper, bill, draft, order, or note, shall be deemed invalid or of no effect,” &c.

Your Committee are not prepared to say that “this provision intends to establish the general rule, that the party making or signing any document requiring a stamp must bear the cost of the stamp.”* The section seems to them to enforce the duty of thus using the stamp, and to declare the penalty for neglecting so to do, rather than to determine explicitly the question now at issue. Any thing which may indirectly indicate in

* See “Boston Daily Advertiser,” Aug. 31, 1864.

these words a principle or policy should have influence only when taken in connection with common usage or other circumstances. On the other hand, as the law, intentionally on the part of Congress, or otherwise, fails to declare upon whom the expense of the stamps required by it shall fall, your Committee would respectfully submit, whether any decision, more or less positive, of the Honorable Commissioner, carries with it any official weight, or is of more value than would be that of any other intelligent citizen. The Commissioner is charged with the responsibility of expounding and of executing the law as it stands; and doubtless nothing would be farther from his desire than to give utterance to any instructions not embodied in its provisions. His response addressed to Mr. PIERCE, in answer to the inquiry "Which party must pay for the stamp?" would appear to be designedly vague and ambiguous, as if avoiding the expression of an opinion judicially upon a question which should be otherwise and elsewhere determined. In a letter to Mr. BRADFORD of Philadelphia, dated Aug. 15, 1864, in reference to receipts given for money, he speaks somewhat more decidedly; but he qualifies what he says by the statement that "the question as to who shall pay the duty required on receipts on any sums of money exceeding twenty dollars *is dependent on the circumstances attending the case.*" The same careful and proper qualification is used in his reference to receipts for freight. It devolves, therefore, upon the parties concerned, to decide among themselves upon

some arrangement which shall be equitable and mutually satisfactory. The question is, after all, a practical one ; and practical men should not find much difficulty in adjusting it.

Although there has been some similarity of action, growing out of the requirements of the new law, on the part of the different railroads centering in Boston, your Committee are informed, by gentlemen representing these companies, that there has been no concerted action, and that no policy on the subject of stamps has been agreed upon among them for their guidance in the future. The Boston and Worcester Railroad Company issued a circular, under date of Aug. 26, 1864, in which it is said, "We propose to act upon the rule, that those who require stamped paper must meet the expense." *

In accordance with this principle, the superintendent announces that shippers must furnish stamps for freight receipts ; that customers, paying freight bills, must furnish stamps when the sum exceeds twenty dollars ; and that the corporation will furnish stamps for receipts taken for freight delivered by it to consignees. The Eastern and the Providence Railroad Companies have been acting under regulations like these. The Lowell and the Fitchburg Railroad Companies have been requiring the consignor to furnish the stamp for the

* The circular instructions of the Erie Railway and of the Michigan Southern and Northern Indiana Railroad, to their agents, are based upon the same principle.

freight receipt; but they supply it for the receipted freight bill. Your Committee are also informed that these rules are subject to revision; and that they will be modified in any particular in which it may be shown that they do not operate fairly, or are in conflict with established commercial usage.

Your Committee are obliged to dissent entirely from the position, "that those who require stamped paper must meet the expense." It is true, as the Commissioner of Internal Revenue observes in his letter to Mr. BRADFORD of Philadelphia, already referred to, that "ordinarily at law no person is bound to give a receipt for money paid." But an usage, which is almost universal, has a force hardly second to that of absolute law; and, whether the delivery be of money or of merchandise, it is almost unheard of for a payee or receiver to refuse to give a receipt. Custom, no less than courtesy, would seem to demand, that, in exchange for property surrendered, an acknowledgment in writing should be given to the party making the surrender. A transaction is one-sided in which value is given on the one hand, and all consideration, even in the form of a voucher, is withheld on the other.

This voucher may be for the *protection* of only one party, and yet may be for the *benefit* of both. It may be useful as evidence to only one; but it may have an importance in equity in which both are interested. More than this: it might be shown, that, as a protection and as legal evidence, a receipt is as truly valuable to

the party executing it as to the party to whom it is given ; for, while it establishes responsibility on the one hand, it defines and limits it on the other. Because this custom of giving receipts has been found to be useful and valuable to all concerned, and to be desirable on public grounds, it has become almost universally prevalent. To argue on this subject at all, would, until recently, have been considered needless labor. The right to demand a receipt was tacitly conceded, if not absolutely recognized, by everybody. The expense, under the Internal Revenue Law, which is now involved in executing this instrument (and your Committee, before they close, will endeavor to prove that affixing the stamp is a part of the execution), has tended to unsettle the question ; but it would be difficult to show that the principle has in any way been changed upon which the usage of past years was based. Indeed, your Committee believe the rule just now in operation among railroad companies to be exceptional : for every other payment of money or delivery of property in the community, receipts, with the stamp affixed, are almost invariably given by the receiver. This is in accordance with English law, which, for more than sixty years, has specially provided that the payee must, under penalties, give “ a receipt, discharge, or acquittance, for such sum or sums of money, *and also the amount of the duty thereon.*” *

* “ It shall be lawful for any person or persons, or any agent or agents of any person or persons, from whom any sum or sums of money shall be due or payable, and who shall have paid such sum or sums of money, to provide a piece of paper, vellum,

But, waiving for the moment this matter of usage, who are “the parties requiring stamped paper,” on the delivery of freight for transportation at railroad stations? On the back of ordinary railroad receipts will be found, in print, the rules and regulations “adopted by the several railroad corporations in regard to freight” in Boston. Among these is the following:—

“The Company will not hold itself liable for the safe carriage or custody of any articles of freight, unless receipted for by an authorized agent; and no agent of the Company is authorized to receive or agree to transport any freight which is not thus receipted for.”

It has been said in explanation of this, in behalf of the companies, that, as common carriers, they had no right to impose this condition, or to refuse to transport freight for any such reasons as are here specified. To this it may be replied, the courts would undoubtedly have allowed them to maintain a rule so easily complied with by the shipper, and so important for the protection of the railroad, as this could have been proved to be;

or parchment, duly stamped with the proper duty, and according to the amount of the sum or sums so paid as aforesaid, or some higher rate of duty in this act contained, and to demand and require of the person or persons entitled to such sum or sums of money, or any agent or agents to whom the same shall have been paid, a receipt, discharge, and acquittance for such sum or sums of money, and also the amount of the duty thereon as aforesaid; and if any person to whom any sum or sums of money shall have been paid as aforesaid shall refuse to give such receipt, discharge, and acquittance, upon demand thereof as aforesaid, every such person shall forfeit and pay for every such offence the sum of ten pounds, to be recovered as any penalty may be recovered under the said recited acts.”—Sts. 43 Geo. 3 (1803), cap. 126, § 5; 22 Statutes at Large, 869, 870.

In 1853, the stamp duty upon all receipts for money, in sums of two pounds and upwards, was reduced to one penny; but the obligation of the payee to bear the expense of the stamp was not changed.—Sts. 16 & 17 Vict. (1853), cap. 59, §§ 2, 3; 72 Statutes at Large, 871.

but, were it otherwise, the companies are estopped to plead in defence the illegality of any of their own regulations or actions. They have derived advantage from this rule; and they cannot consistently affirm that they were not justified in adopting and enforcing it. It is also said, that, since the Commissioner declared receipts liable to be stamped under the law, freight has not been, and is not now, refused at the stations, although unaccompanied by the usual form of receipt. The system, tested by the experience of many years, is thus admitted to have been changed to meet the new emergency, or rather to harmonize with the new principle laid down in the railroad circulars in reference to stamps: but can it be supposed that the interests of the corporations require these receipts at the present day any less than formerly? Is it possible, that a document, which, up to this time, has been judged so indispensable to railroad companies, that, in the absence of it, freight has been absolutely refused at the stations, is now discovered to be of no service whatever? If the convenience and security of the companies hitherto have been promoted, as unquestionably they have been, by the presentation, with freight, of a form of receipt to be signed and returned (with a duplicate to be placed on file at the station), they would be promoted now by the same means. The companies really *require* the receipt now as much as ever, although they may not *demand* it; and, "upon the principle that parties requiring stamped paper should bear the expense," their duty is clear.

Again: it was argued before your Committee, that, as the shipper has heretofore been in the habit of sending to the station, with his freight, a printed form, filled up with marks, description, and destination, and requiring to perfect it nothing more than the signature of the freight agent, he is now bound to affix the requisite stamp, just as hitherto he has been bound by custom to supply and prepare the document itself. This appears not altogether unreasonable at first sight: but it should be remembered, that the stamp, like the signature, is not a part of the form as such; but it is that which gives completeness and efficacy to the form. It is affixed, not as preparatory to the execution of the receipt, but as an essential step in the process of execution. There may be deficiencies or errors in the preparation of the form, and yet the value of the receipt when executed may be unimpaired; but the omission of the stamp or the signature renders the form "invalid, and of no effect." To furnish and to fill up the form are merely clerical duties: to sign and to stamp it are legal acts. That which is preparatory and clerical, has, in order to save time and to insure correctness, come to appertain to the shipper: that which is final and solely efficacious, in the opinion of your Committee, belongs to the receiver.

The English statute, from which a quotation has been made, allows the person entitled to a receipt "to *provide* a piece of paper, vellum, or parchment, duly stamped with the proper duty," at the expense of the person who is to execute the instrument.

It remains for your Committee to suggest, for the judgment of the Board, a plan of action on this subject which shall aim to reconcile conflicting opinions and practices ; which shall disturb as slightly as possible usages long established in this community ; and which shall settle the stamping of freight receipts in harmony with the principle or the custom which governs the affixing of stamps in other departments of business. The following rule is submitted : —

That the receipt or voucher, given upon the delivery of property, be stamped at the expense of the party to whom the delivery is made.

This rule agrees with past usage. On the delivery of freight for transportation, railroad companies have always given such an acknowledgment as was legal and binding. On the receipt of freight from the companies, consignees have done the same thing. Why should this usage be changed, and either the practice of giving receipts be discontinued, or the party to whom these are given be asked to contribute towards making them complete and valid ? As already intimated, the passage of the Internal Revenue Law has not affected the relative rights of parties. On the contrary, it is supposed to take individuals and corporations precisely as they were at the time when it went into effect, and to charge them accordingly. The purpose of the law is to tax trade and capital, both in the aggregate and in certain specified transactions ; and its natural and proper effect is to tax parties just so far as they may be engaged in these trans-

actions. The law was framed, in the instance now under consideration, in view of the custom of executing receipts ; and it was intended that these receipts should yield a revenue to the Government. Is it not a fair inference, from this fact, that the tax for making and issuing these receipts should fall upon those who make and issue them ? They are subjected by the law to an expense from which previously they have been free : but this does not diminish or impair any obligation under which they have been acting ; and, if it has been or can be shown that general custom has hitherto required railroad companies or other parties to execute receipts under given circumstances, the same requirement rests upon them now, notwithstanding any increased cost or difficulty which may be involved in meeting it.

The rule suggested by your Committee seems to them also to accord with the ordinary practice in other instances in which the revenue stamp is required.

The importer, who stores his merchandise in a private bonded warehouse, has been receiving a voucher, stamped at the expense of the warehouse-man. The shipper by the Cunard Line (other lines at this port have not established a rule), who sends goods to the ship's side, receives a voucher, stamped at the expense of the vessel. The traveller, purchasing a passage ticket for Europe, receives, in exchange for his money, a voucher, stamped at the expense of the steamship company.* Any one

* The Cunard Company, before the passage of the last Revenue Act, added two dollars and fifty cents to the price of passage-money from Boston, to cover the stamp, and the

who makes a payment for merchandise purchased at wholesale or retail, receives, if he desires it, in exchange for his money, a receipt or a receipted invoice or bill; and, if the amount makes it necessary, this is stamped at the expense of the payee. A still more noteworthy instance is that of the party effecting insurance, who receives from the insurance company a policy which possesses other qualities, but is also an acknowledgment for money paid; and although, for marine risks, a charge is made for drafting the policy, the stamp is, in all cases, affixed at the expense of the company, as part of its duty in executing the instrument. Your Committee do not intend to say that these instances are in all respects parallel to the delivery of freight at a railroad station; but they respectfully suggest whether there is not something which it has in common with them; namely, the delivery of money, or other value, in consideration of which a legal instrument is given in return. If this be so, the harmony of business will be promoted, if all commercial transactions, including those connected with railroad transportation, which involve a common principle, be governed alike in the matter of stamps.

A through receipt given by a transportation company or line, like a bill of lading given by a vessel, is quite different from the receipts to which reference has been made. It is not simply a voucher; and it is not given

duty of ten cents a ton charged upon the steamers every time they come into port. This advance does not now cover the outlays which it was designed to meet; but no intention to make a further advance has been announced.

upon the delivery of property, but subsequently. Bills of lading are executed for the benefit of the shipper; and they have negotiable qualities and a recognized value. The English law does not decide, as in other instances, upon whom the expense of stamping them shall fall in Great Britain; but universally, in that country, this expense is met by the shipper: and here the same rule has thus far prevailed. Receipts given for the transportation of freight by railroad to distant places are frequently called bills of lading, and, being in many respects similar to them, should be dealt with in the same way.

From the general principle thus laid down, your Committee would deduce the following particular rules: —

That receipts given at railroad stations, on the delivery of freight for transportation, be stamped by the railroad company.

That through receipts given by transportation companies or lines, be stamped at the expense of the shipper.

That receipts, given by consignees to railroad companies on the arrival of merchandise, be stamped by the consignees.

That receipts given at the ship's side, usually called mate's receipts, be stamped at the expense of the ship.

That bills of lading be stamped at the expense of the shipper.

Your Committee were not instructed to consider the stamping of receipted freight bills; but they will venture to add the following recommendation: —

That receipts for freight money be stamped at the expense of the party to whom the payment is made.

Your Committee believe these suggestions to be in accordance with the spirit of the Revenue Law, and to be based upon a principle which will be found of easy application everywhere. There may be occasions when the voucher is plainly and solely for the accommodation of the person to whom it is given, and when therefore he should pay for the stamp. There may be instances also in which it is proper or expedient to deviate from the principle; as when a railroad company stamps its pay-rolls at its own expense: this is a concession, a gratuity, to those in favor of whom the expense is incurred. But these cases are strictly exceptional.

With the question upon whom the burden of this or any other taxation should or will ultimately fall, or with the manner in which corporations or individuals should re-imburse themselves for this or for other expenses involved in the transaction of business, your Committee are not called upon to interfere. These are points which, in due time, will be regulated by the inevitable laws of trade.

HAMILTON A. HILL, *Chairman.*
 EZRA FARNSWORTH.
 JOSEPH M. WIGHTMAN.
 JOSEPH S. ROPES.
 ALBERT FEARING.

Boston, Sept. 19, 1864.

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OCEAN STEAM NAVIGATION.
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N O T E .

THE following paper appeared in the NORTH AMERICAN REVIEW for October, 1864. At the suggestion of friends, it is printed for private circulation in the present form, with the hope that it may promote and extend somewhat the interest recently awakened in this community on the subject of Ocean Steam Navigation.

HAMILTON A. HILL.

BOSTON, October, 1864.

- ART. VI.—1. *The Naval and Mail Steamers of the United States*. By CHARLES B. STUART, Engineer-in-Chief of the United States Navy. New York. 1855. 4to.
2. *Ocean Steam Navigation and the Ocean Post*. By THOMAS RAINEY. New York. 1858. 8vo.
3. *Memorial of the Chamber of Commerce of the State of New York on Ocean Steam Navigation*. Prepared by JOHN AUSTIN STEVENS, JR., Secretary. New York. 1864. 8vo.
4. *Memorial of the Boston Board of Trade in behalf of the American Steamship Company*. 1864.
5. *Ocean Steam Navigation. A Speech on the Bill providing a Subsidy for a Line of Steamers to Brazil, delivered in the House of Representatives, April 15, 1864, by the HON. JOHN B. ALLEY*.
6. *The Past, Present, and Future of Atlantic Ocean Steam Navigation*. By T. T. VERNON SMITH, C. E. Fredericton, N. B. 1857.

IN the Memorial of the Boston Board of Trade, addressed to Congress, in behalf of the American Steamship Company, a comprehensive statement of facts is given, which will suitably introduce what we desire to say upon the general subject of ocean steam navigation.

“The undersigned respectfully submit for your consideration,—

“That, prior to the application of STEAM to ocean navigation, the trade of the Atlantic was very largely, if not almost exclusively, in the hands of the citizens of the United States, to whom it yielded valuable returns; while the vessels employed in it were the admiration of all at the various ports to which they went, and everywhere reflected credit upon the national flag;

“That within the last twenty years a change has been steadily progressing, which has at length resulted in the transfer from sailing vessels to steamships of the entire passenger traffic and nearly all the freight between the United States and Europe;

“That during this period several steamship lines have been established by citizens of the United States; but, for reasons which the undersigned will not now detail, all these have, after longer or shorter continuance, been abandoned, *until now there is not one American steamship in the merchant service crossing the Atlantic Ocean;*

"That the change already referred to, of the commerce of the Atlantic from sailing ships to steamers, has thus issued in the complete diversion of this commerce from American to European bottoms; that we are at the present time totally dependent upon foreign flags for the transportation of our citizens, our correspondence, and our merchandise to and from every foreign country (excepting Cuba and Panama) upon the globe; and that consequently all moneys earned by the conveyance of such passengers, mails, and freight are remitted or are retained abroad; thus diminishing our national importance with the people of other nations, and draining our resources at home;

"That foreign, and especially British, steamship companies, with the assistance of government grants, and also aided by local facilities for the economical construction of the requisite hulls and machinery, have rendered it difficult, by the occupation of our routes, and by their connections at our principal cities, to re-establish American steam communication with Europe; and that, by their accumulation of profits in the trade now monopolized by them, the difficulty of attempting competition with these companies is increasing daily."

This twofold change which has taken place in the trade of the North Atlantic since the application of steam, namely, the transfer of both freight and passengers from sailing ships to steamers, and from American to European bottoms, is to be traced also upon the other oceans of the globe; but nowhere as upon this has the development of steamship navigation been so entirely at the expense of the American mercantile marine. And yet the United States started side by side with Great Britain in the knowledge and in the use of this new and mighty agency; and indeed, as we shall see, was in the advance in its employment for practical purposes with remunerative success.

England, Scotland, and the United States claim respectively for Bell, Symington, and Fulton the merit of first applying steam to the propulsion of vessels. We do not propose to reopen this question, which each nation has long since resolutely decided in favor of its own candidate; but whatever may be the difference of opinion upon the general question, it is conceded by all the British authorities that Fulton constructed the first steamboat which made regular trips for the accommodation of passengers, and the first which compensated her owners. In 1807, the *Clermont* made her appearance on

the Hudson, and in the following year began to ply regularly between New York and Albany. When, in 1813, the *Comet* started on the Clyde, there were six steamers on the Hudson and one on the St. Lawrence. It is admitted also that the pioneer steam-vessel to venture out upon the open ocean was under American guidance. Fulton having secured to himself the exclusive privilege of navigating by steam in the waters of the State of New York, Stevens of Hoboken, who had brought his experiments to a successful issue almost as soon, took his vessel round by sea to the Delaware, in 1808.

British North America is a competitor with the United States for the honor of the first passage by steam across the Atlantic. In the year 1818, the *Savannah*, of 350 tons and 90 horse-power, built in New York, proceeded to Savannah, where she was owned; she next went to Charleston, and thence, on the 25th of May, 1819, sailed for Liverpool, where she arrived in safety after a passage of twenty-two days. In reference to this voyage the Canadians urge that the *Savannah* could hardly be called a steamship, because her paddle-wheels were so arranged that they could be removed and present no impediment to her sailing powers; that, after steaming a few days, her paddle-wheels were unshipped and taken on deck, the remainder of the distance being performed under canvas; and that the voyage back was never attempted. But while we concede that these considerations are not without weight, it seems to us that the *Savannah* must still be regarded as having in an important sense solved the problem of ocean steam navigation, and sufficiently demonstrated its practicability. In 1833, the *Royal William*, of 1000 tons burden and 180 horse-power, built at Three Rivers in Lower Canada, made the voyage from Pictou, Nova Scotia, to Cowes, in the Isle of Wight; it is for her that our Provincial neighbors claim the credit of the first ocean transit by steam. She was employed for three or four years between England and Ireland, and afterwards made several passages across the Atlantic.

But the true pioneers in ocean steam navigation were the *Sirius* and the *Great Western*, which, in 1838, ran that exciting race, once and again, to New York and back to England, which initiated and gave the moving impulse to all subsequent

enterprises of the kind. We well remember seeing the *Sirius* at her moorings in the Thames after her first return from the New World; among the various craft lying around her, she looked like a giant among pygmies, or, as Sir Francis Head has since expressed it in the title of his interesting description of the *Great Eastern*, like "a Triton among the minnows." She had made the passage from London to New York in seventeen days, and the return trip in sixteen. Of course the full significance of her achievement was not then understood; but she was for the time one of the prominent wonders of the metropolis. She was of 700 tons, 320 horse-power, and comely in her proportions. Little did those imagine who then looked upon her with so much admiration, that just opposite to where she then lay at anchor, at Millwall, the keel of a steamship would within twenty years be laid, more than three times the length of the *Sirius*, and nine times her indicated horse-power.

The *Sirius* had been built to run between London and Cork, but the British and American Steam Navigation Company, resolving not to be left astern by the company in Bristol which was getting the *Great Western* ready for sea, chartered her to run against this vessel on the ocean, and she made two voyages in their employ. The result of the experiment was so satisfactory, that the London Company placed the *British Queen* and the *President* upon the route. The *Great Western* was a fine vessel of 1340 tons and 440 horse-power. Her first passage to the westward was accomplished in fifteen days, and the return in thirteen and a half; on her second trip from New York she reached Bristol in twelve and a half days, which would be considered fair time even now. She continued to sail from the Severn, and subsequently from the Mersey, and made seventy-four Transatlantic passages before passing into the hands of the West India Company. In the mean time the *Royal William*, already referred to, and the *Liverpool*, had been despatched by different parties from Liverpool to New York; so that four independent companies had now entered upon this new arena of commercial enterprise. As is too often the case, however, with those who are the first to undertake new movements of magnitude and risk, no one of these companies succeeded in permanently maintaining itself.

In the same eventful year, the British government advertised for tenders to carry the mails between Liverpool, Halifax, and Boston. Only two bids were made ; and the contract was awarded to Mr. Samuel Cunard, who had for many years been interested in a line of fast-sailing brigs carrying the mails between Falmouth (England), Halifax, and we believe Boston. Mr. Cunard associated with himself Messrs. George and James Burns of Glasgow, and Messrs. David and Charles McIver of Liverpool, merchants of recognized ability and of large experience. Thus came into existence the British and North American Royal Mail Steam Packet Company, the history of which we shall presently have occasion to refer to somewhat in detail. The Unicorn was despatched from Liverpool on the 15th of May, 1840, to be placed on the branch route to Newfoundland, and made the passage to Boston in nineteen days. She was followed on the 4th of July by the Britannia, the first regular vessel of the Cunard line, under command of Lieut. Woodruff of the Royal Navy, which arrived at Boston in fourteen days eight hours, bringing "one month's later news from Europe." In the same year a contract was made by the Admiralty with the Royal Mail Steam Packet Company, for the conveyance of the mails between Southampton, the West Indies, and the ports of Mexico on the Gulf, and the first vessel in this service (which happened to be named the Forth) took her departure on the 7th of December, 1841. The contract originally included some of the Southern ports in the United States, but these after a few years were abandoned. In 1845 a contract was concluded with the Peninsular and Oriental Steam Navigation Company (incorporated in 1840), for the employment of steamers from Southampton via Gibraltar and Malta to Alexandria in Egypt, thence for the transmission of the mails overland to Suez, and thence again by steamers to Aden, Point de Galle, and Calcutta, with branch lines to Bombay, and to Singapore and Hong Kong. When these three great lines were organized, Great Britain had, though unconsciously, more nearly than ever before attained to the sovereignty of the seas ; for the Atlantic, the Mediterranean, the old Erythræan, and the waters of the East had then been taken possession of for the transmission of her mails and for the ac-

commodation of her commerce, as though they had all been included within her rightful domain.

While the British government was thus seconding and supporting British enterprise on the sea, the subject of ocean steam navigation awakened but little interest in the United States. The requirements of our lakes and rivers for suitable steam tonnage, and the vast extent of the railway system to be developed on the continent, interfered with the due consideration of the claims of the ocean.* Mr. Thomas Butler King of Georgia, who was for many years Chairman of the Committee of the House of Representatives on Naval Affairs, was one of the few statesmen in our country who comprehended the policy of Great Britain in this respect, and who appreciated the importance of similar activity on our part. As early as 1841, he introduced a resolution directing the Secretary of the Navy to advertise for proposals for mail steamships to run to some of the European ports, and also for a coastwise line between the North and the South. Mr. King persevered in his endeavors from session to session, and in 1845 a bill was passed placing the arrangements for the transportation of the mails to foreign countries under the direction of the Postmaster-General, and authorizing him to solicit proposals for several routes. This led to the formation of the Ocean Steam Navigation Company of New York, which in 1847 built the *Washington* of 1,700 tons, and the *Hermann* of 1,800 tons, and placed them on the route to Southampton and Bremen. These vessels received a moderate subsidy from the government, and proved themselves safe and reliable; their average passages to and from Cowes were about fourteen days. Mr. Stuart says of them: "They were at the time of their construction the best specimens of sea steamers our constructors and engineers had produced, but they proved entirely unequal to the early vessels of the English lines, and far behind, in point of speed, the later Cunarders." In 1848, Fox

* On the 30th of June, 1861, the steam tonnage of the United States was 877,203 tons, of which 774,595 was inland and coastwise. At the close of the same year, the steam tonnage of Great Britain was 561,023. On the 1st of January, 1864, the total length of the railways of the United States was 33,830 miles; that of the United Kingdom, 11,904.

and Livingston established a line to Havre, with the Franklin of 2,400 tons, which was followed by the Humboldt of 2,850 tons; these steamers made the passage to and from Havre, on the average, in thirteen days. In this year also, the lines between New York and San Francisco via the isthmus of Panama were organized; and, as it proved, most opportunely, for the discovery of gold in California led to an emigration which at once made them a public necessity, and gave them a strong position apart from the assistance of the government, which of itself would have been altogether inadequate for their support. The California, the Panama, and the Sonora, of the Aspinwall line, and the Illinois and the Empire City, of the Law line, were fine vessels in their day; they have been succeeded by a fleet of powerful steamers, which have yielded large profits to their owners, although the public has had much cause for complaint in the manner of their management.

We come now, in the order of events, to the Collins line, which went into full operation in the summer of 1850. At that time the British steamship companies were those already named, with the addition of the Pacific Steam Navigation Company, on the route between Panama and Valparaiso, the contract with which was made in 1845, and in which, we ought to add, Mr. Wheelwright, an American merchant, was one of the prime movers. Cunard's was, in 1850, the only British line coming to the United States; but it had enlarged its vessels from the Britannia of 1,200 tons, to the Asia of 2,100 tons, and it had doubled the service, by making the same number of trips, since 1848, to New York as to Boston. Our coastwise lines, both on the Atlantic and the Pacific, comprising all our principal ports, were now placed upon a permanent footing, and with the Collins vessels the number of trips across the Atlantic, under the American flag, was to be fully equal to those under the cross of St. George. Notwithstanding the partial apathy of the past, it seemed as though we had almost overtaken our rival upon the seas, and might soon outstrip her. Mr. Senator Gwin spoke with a natural enthusiasm, but prematurely, when he said of the new steamers, just after they had entered upon their career: "Their success has elevated the American name and character; it has wrested

from Great Britain the palm of the maritime dominion, and merits such a substantial recognition by the American government as will indicate that the contest is a national one upon both sides, and not a strife between an association of American citizens and the greatest governmental power of the world."

Mr. Collins's first proposition to the government of the United States was made in 1845, but no contract was concluded until 1847. There was a good deal of delay in getting the vessels ready for sea, owing to various changes in the machinery which from time to time were determined upon, and to other causes. The Atlantic first took her departure for Europe in April, 1850; the Pacific followed in a few weeks, and the Arctic and the Baltic soon after. These vessels were almost alike in model and in dimensions. The following figures give the size of the Arctic:—

Length of main deck,	282 feet.
Breadth of beam,	45 "
Depth under main deck, . . .	24 "
Depth under spar deck, . . .	32 "
Tonnage,	2856 tons.
Cylinder,	95 inches.
Stroke,	10 feet.

These magnificent vessels at once took the first position upon the ocean; their models were superior in grace and proportion to anything that had been seen; they combined the sharpness and symmetry of our swift river steamers with the beauty and buoyancy of our world-renowned sailing-packets. The London Times spoke with admiration of the appearance of the Arctic as she steamed up the Mersey, opening the water before her so smoothly that there was hardly a ripple under her bows. Their speed brought Europe and America more than a day nearer together; and the comfort and elegance of their accommodations were unequalled. It is not strange that much pride in them was manifested throughout the country, for the future which awaited them was full of brilliant promise; and although this promise was unfulfilled, it cannot be doubted that they introduced a new era in the navigation of the ocean. In anticipation of their appearance, the Cunard Company had built the *Asia* and the *Africa*; these vessels being unequal to the competition,

the *Arabia* was brought out, but the *Arctic* was more than a match for her. For what first-class ocean steamships are to-day, the public is largely indebted to the genius and enterprise of Mr. Collins and his associates. The testimony of an officer of the British navy, who made a passage in the *Baltic* in 1852, will be valuable in this connection.*

"I am only doing justice to these magnificent vessels in stating that they are, beyond any competition, the finest, the fastest, and the best sea-boats in the world. I am sorry to be obliged to say this, but as a naval officer I feel bound in candor to admit their great superiority. Their extraordinary easiness in a sea cannot fail to excite the admiration of a sailor, and I never beheld anything like it. There was none of that violent plunging, that sudden check, usually attending a large ship in a heavy head-sea. The elongated bow dipped gently in when a vast wall-sided and threatening swell appeared overwhelmingly to rush upon her. The whole fore-length of the vessel appeared to sink gently down until almost level with the water, and as gradually to rise again after passing. Most wondrous of all, no sea ever came on board, and the foaming and angry waters appeared to glide harmlessly past her peak and narrow bows. The extraordinary difference in this respect to the *America* was most marked, as a very ordinary head-sea would dash angrily and with huge volumes over her bows."

He goes on to attribute this superiority of the *Baltic* to her long and gently graduated bow, and to the lightness and buoyancy of the fore part of the vessel when relieved from the bowsprit. He adds:—

"From a considerable experience in all classes of steam-vessels besides the *Cunard America*, I advisedly assert that the *Baltic* is out and out, by long odds, the very best and easiest steamship I ever sailed in."

These steamers were very successful in drawing passengers, and yet it is doubtful if they ever secured the full confidence of the public to the same extent as the *Cunard* ships. While they bore away the palm for excellence of model, for speed and for convenience of passenger accommodations, there was something wanting in their machinery which gave an important advantage to their less showy but eminently stanch and steady

* *The Resources and Settlement of America*, by Captain McKinnon, R. N. London. 1853.

rivals. We were told by experienced English commanders who saw them on the stocks, that nothing could be better than the material of their hulls or the manner of their construction. The *Atlantic* and the *Baltic*, now owned by the Pacific Mail Steamship Company, have been almost constantly in the employ of our government for three years past, and are in as good condition as ever. But the engines, although beautiful in their finish, were not altogether reliable at first; probably there was no such deficiency in them as endangered the vessels, but frequent mishaps, many of them slight in themselves, tended to impair confidence, and added seriously to current expenses.

It is important to inquire carefully into the causes of the failure and abandonment of the Collins enterprise. No one can now be injured, while great public advantage may accrue from telling the plain truth on this subject. If we would not fail in new attempts to promote ocean-steamship interests under our flag, we must distinctly comprehend the reasons why the efforts of the past have been so unfortunate. The first of these causes was fundamental. From the start, the Company appears to have suffered for the want of the requisite capital. It was stated during the debates in Congress in 1855, and the statement was not controverted, that up to that time, although the four vessels of the Company had cost \$2,944,142, its capital paid in amounted only to \$1,200,000. It began, therefore, with a cumbrous debt of \$1,744,142, which was secured by mortgages, and which made a continual drain for interest and commissions. But with careful management this difficulty might have been overcome, for its receipts from the government for the transportation of the mails during the first five years amounted to \$3,413,966, or considerably more than the cost of its vessels.* Its receipts also from other sources were

* Mr. Collins submitted the following curious statement to Congress, dated February 17th, 1855:—

Total receipts for passengers and freight, . . .	\$ 4,460,867
“ “ “ mail service,	3,413,966
	<u>\$ 7,874,833</u>
Total disbursements,	7,207,291
	<u>\$ 667,542</u>

This nominal surplus he more than disposed of as follows:—

large, and when the Arctic and the Pacific were lost, they were insured for their value at the time.

The inadequacy of capital at the outset was aggravated by the extravagant cost of the vessels, and the lavish expenditure continually made upon them. From figures given above, the average cost of construction appears to have been \$736,035; which exceeded by \$150,000 the cost of the *Asia* and the *Africa*, the most expensive ships with which they then had to compete. The luxurious elegance of the saloons and cabins, which were compared by a Senator to Cleopatra's barge, was altogether unnecessary. The passenger accommodations of the English line might have been improved upon without going to such an extreme in style and show. Comfort, not elegance, is what is required at sea; neatness and solidity are much more appropriate than elaborate decoration. The machinery also, deficient as it was to a certain extent, cost more than enough to be equal to the best. Expensive alterations were made after the specifications were drawn up, and, indeed, after the engines were partially constructed; and novelties, which were supposed to be improvements, were introduced, which after trial had to be given up. These vessels, thus expensively built, were still more expensively sailed. According to sworn statements laid before Congress, the average outlay for twenty-eight voyages was \$65,215; the average receipts for the same were \$48,286; which would leave a deficit at the end of the year of \$440,154, or more than half the cost of one of the vessels. This sum included repairs and insurance; but did not allow for depreciation from wear and tear, or for interest on the investment.

To offset this deficit, however, the company received a subsidy from the government, which, according to the service performed, was much more than was ever paid to the Cunard Company. But this subsidy helped to provoke its ruin. The managing owners seem to have acted upon the presumption that they had the national treasury to fall back upon, and that

Loss of the Arctic,	\$ 255,000
Depreciation of investment, . . .	258,000
7 per ct. interest on capital, . . .	408,000
	<hr/>
	\$ 921,000

therefore prudence and economy were unnecessary. Mr. John Austin Stevens, Jr., in the able Memorial of the Chamber of Commerce of the State of New York prepared by him, is obliged to say: "Nor is it to be concealed, that in the management of this line there was wanting that regard to economy which is essential to success in enterprises of this nature." It must be admitted that the desire to surpass rivals, and to achieve distinction for this great representative line, proceeded largely from national and patriotic motives; but while acquitting those concerned of unworthy or dishonorable motives, we consider the principle on which they acted to be unsound and dangerous. Whenever a corporation or an individual engages in business for the sake of notoriety rather than for substantial success, the result will almost always be disastrous. Reputation, if deserved, will come in good time, but it should not be sought for as a direct object. Had the ships of which we are speaking been managed on strict commercial principles, the issue would perhaps have been altogether different.

But a recklessness in another particular also characterized the management of the Collins line. The all-controlling desire for pre-eminence, which seemed to outweigh every consideration of prudence, manifested itself principally in reference to speed. The avowed object of Mr. Collins, from the first, was to outsail the British steamers, if it were necessary to put all the capital at risk in order to do it. The speeches in Congress by the advocates of the line were full of the same spirit. We think the people of the United States, if not the government also, were greatly to blame on this point, and the responsibility for the result must rest in part with them. The Hon. Mr. Olds of Ohio, in a speech in the House of Representatives, expressed the feeling of multitudes in the country, when he said: "We have the fastest horses, the prettiest women, and the best shooting guns in the world, and we must also have the fastest steamers. The Collins steamers must beat the British steamers. Our people expected this of Mr. Collins, and he has not disappointed them." Government had not stipulated in the contract for a given rate of speed, only that the vessels were to be "of great speed"; but Mr. Collins was urged on by the newspapers and by stump orators until he

probably felt that the honor of the country depended upon his beating his competitors on every trip. One gentleman, in the Senate, intimated that the friends of free government throughout the world were watching the contest between Collins and Cunard with the intensest interest. The vast importance which is made to attach to fast passages in Mr. Stuart's "Naval and Mail Steamers," and by Mr. Stevens in his "Memorial," indicates what this question of speed was in the public estimation; and we fear it is still thought of too much. There is little doubt that the Collins vessels could have kept in advance of all others, without the extreme effort which they put forth from the beginning; they had every advantage in their model, and their power might have been cautiously and gradually increased, under favorable circumstances, so as to secure the shortest time practicable between the Old World and the New.

Mr. Collins estimated that the small difference of about one day which he gained over the Cunard Company cost him \$16,800 additional for every voyage,* and in this way:—

400 tons of coal @ \$7,	\$ 2,800
200 " freight from Liverpool @ \$30, . . .	6,000
200 " " to " @ \$15, . . .	3,000
Additional repairs to engines, not estimating the	
wear and tear of ship and machinery, . . .	5,000
	<hr/>
	\$16,800

These figures seem to us excessive, except the cost of the coal; but Mr. Collins was ready to come before the country and declare that he was sacrificing \$436,800 annually for the sake of saving a few hours in the transit across the Atlantic, and the country encouraged him in his course. Had the emulation been in respect of economy in sailing, perfection of discipline, solid comfort in cabin arrangements, or anything but speed, the rivalry might have been advantageous. As it was, the struggle involved the company in constantly increasing financial embarrassment, and cost two splendid steamships, with hundreds of lives.

* By the word *voyage* in this article we mean the two passages, outward and homeward.

This expensive and reckless navigation was performed on an ocean perhaps the most dangerous on the globe, taking into account fog and ice, and the severity and frequency of its gales. Time and experience might possibly have led to the correction of the other evils to which we have referred, although we confess the indications were unfavorable ; but this infatuation on the subject of speed was to lead to disasters to this favorite and boasted line from which it could not recover. On the 20th of September, 1854, the *Arctic*, the pride of the nation, the clipper of the seas, with everything auspicious about her, sailed from Liverpool on what promised to be a mere pleasure-trip across a summer sea. She was thronged with passengers, and the interests of many a home circle on both sides of the Atlantic were involved in the issue of that passage. She was making unwonted progress day after day, and, ensnaring hope, she was to reach New York in the shortest time on record from Liverpool. With such eagerness in the race, would that there had been a corresponding use of precaution in that swift advance through the dense and blinding fog, — that the watch had been doubled on the fore-castle and the fore-top, and that sufficient apprehension of danger had been felt to induce preparation for its appearance ; but all thought themselves secure. At noon on Wednesday, the 27th, the Captain had announced the splendid run of the twenty-four hours previous, and the passengers were seating themselves at lunch, making bets upon the number of hours which it would take to reach New York, and talking in terms of praise and pride of the noble vessel, matchless in elegance, in speed, yes, in all but in safety. For at that very moment there was a crash, and an alarm, and a stoppage of the engines ; the only vessel within perhaps a hundred miles at the time had suddenly emerged from the fog, and plunged her sharp stem into the *Arctic's* bows, as a swordfish might wound a whale ; it was the French steamer *Vesta*, a tiny craft compared with the *Arctic*, but able to inflict a mortal blow. In the mysterious ordering of Divine Providence, the *Vesta* had struck the blow at the instant when the *Arctic*, just rising on the swell, exposed herself to peril where she was most vulnerable. Even then, however, there was no thought of danger, except for the *Vesta*, which

had left her prow fastened between the timbers of the Arctic's frame, and offers of assistance were made to her which she declined. Three cheers were given from the deck of the ill-fated steamship when assurances were received that the *Vesta* was not seriously disabled, and the vessels parted, each to pursue her way. In the mean time the sea was pouring into the Arctic below the water-line, and it soon became apparent that she was settling at the bows. Brave efforts were now made for safety, but the delay had been too great, and there was no hope except in leaving the vessel. The order was soon given to man and lower the boats; this was the signal for general confusion, and for the extinction of all authority on board. We do not wish to criticise the well-intended, if not well-directed, movements of the Captain, who worked gallantly for the salvation of the precious lives depending upon him, and who took no thought for himself; but there was an utter absence of discipline in this awful emergency, and some of the officers and most of the crew, throwing off all restraint, sought only to save themselves. Then was beheld the shameful sight of boats half filled with strong men pushing away from the vessel on whose deck a hundred women and children were standing helpless and doomed. We need not dwell on the sickening details; three hundred and twenty-two lives were lost, and not a woman or child escaped, although some of them had friends who would have given a boat-load of treasure to secure for them places which were vacant, and which they might and should have had freely. We shall never forget how, a few days afterwards, it was shouted in our hearing, as we approached the wharf at Halifax in the *Europa*, which had brought us almost over the very scene of the catastrophe, — "The Arctic is lost." Some of the survivors had just arrived there, and the electric wires were even then trembling with the sad intelligence which on that morning was to thrill numberless hearts with anguish. From that collision shock of the *Vesta*, the Collins Company never recovered.

The contract with the government contemplated the construction of five vessels, and before the loss of the Arctic the *Adriatic* had been commenced. This steamship surpassed in size and in power, not only the other ships of the Collins line,

but every vessel then afloat. She was of 4,144 tons, and no pains had been spared to make her all that a first-class mail steamship ought to be. But unfortunately there was, in reference to her, the same looseness of calculation that was exhibited in the other vessels. It was inexcusable to undertake the construction of a vessel, expecting to spend \$ 900,000 upon her, and find when she was completed that her cost had reached nearly \$1,200,000. Nor was it prudent for a company with its position only partially established, with its pecuniary success still problematical, and with no certainty of permanent support from the government, to embark so large a sum in the construction of a single vessel. The *Scotia*, since built by the Cunard Company, cost about \$ 900,000; but she was the fifteenth paddle-wheel steamship which they had brought upon the route, and when they had gained the experience of more than twenty years. Mr. Collins and his associates were too impatient and too fast; they sought to accomplish, almost at the very outset, what it had required long years of patient, plodding perseverance for the Cunard Company to perform. To be sure, it was not needful for them to go over the entire ground traversed by their predecessors; but practical experience in ocean steam navigation, not less certainly than in other departments of industry, both individuals and companies must gain for themselves; and they must allow time for its growth, for it is not "the hasty product of a day." That the *Adriatic*, when completed, was peerless in her proportions and in her performances, and that now, under another flag, she is recognized as one of the finest steamships in the world, but poorly compensates for the national mortification involved in the failure of the great American company to which she belonged; or, what is of far more importance, for the discouraging effect this failure has had upon subsequent projects in the same direction.

Before the *Adriatic* was ready for sea, the Company was overtaken by another disaster, in some respects more appalling than the wreck of the *Arctic*, although attended with less loss of life. The winter of 1855-56 had been unusually severe both on the land and on the sea, and one effect of the gales had been to break up the great ice-fields of the frozen North,

and to fill the Atlantic with ice at a season when it is rarely met with in these latitudes. On the 23d of January, 1856, the *Pacific*, not fully advised, perhaps, of this state of things, left the Mersey for New York, and was never heard of afterwards. There is every reason to believe that she perished in the ice which then barricaded the passage between the two hemispheres, and that the calamity was sudden and brief. That she too, like the *Arctic*, was endangered by ambition for speed, if not lost absolutely in consequence, is to be feared from the circumstance that the new steamship *Persia* was to follow three days later on her first voyage; the comparative merits of the rival vessels had been freely canvassed on 'Change and at the hotels in Liverpool, and the *Pacific* started with the determination not to be beaten. This dangerous spirit of emulation was not confined, however, to her. Mr. Vernon Smith admits this in his interesting allusion to the occurrence, and we shall venture to quote his remarks in full.

"Three days after her [the *Pacific*], the *Persia*, new from her builders' hands, rushed after her in a race second to none that had yet made the Atlantic their pacing ground. America had for some time beaten us in the contest for speed; our vessels, built for strength, and for the possible emergency of war, had been sacrificed in their construction to a fancied security against attack, to a possible chance of other service than the requirements of commerce, and their details had been dictated and superintended by the naval authorities of the day.* In 1854, the *Arabia*, the last of the Cunard vessels built of wood, had separately beaten each of the Collins steamers in succession, but the average speed for the year was in favor of the Collins line. In 1855, the requirements of the Crimean war had withdrawn the *Arabia* from the station, had disarranged the mail service, and left the Collins line without any competitors on the New York route. The commencement of the next year set all the old boats at liberty, the line to New York was resumed, and in addition to the *Arabia*, the *Persia* was making ready for the start. For the first time, a steamer combining unusual power and size with a symmetry of proportion and beauty of model unequalled by

* Mr. Smith overlooks the fact that the Collins steamers also were built under naval supervision, and with a view to the possibilities of government service. Commodore Perry, in a letter to the Secretary of the Navy, dated February 18, 1852, gave it as his opinion, "that \$ 20,000 expended on each would convert them into war-steamers at any of our navy-yards." Except for the transport service, however, the vessels of both lines would as war-steamers disappoint the expectations of their projectors.

anything afloat had been permitted to take her place in the mail service untrammelled by naval inspection, and *built of a material* against which the Admiralty had passed a final and decisive verdict.

“Under these circumstances Captain Eldredge succeeded Nye in the command of the *Persia*, and, with the avowed intention of challenging her rival before mooring at New York, the *Persia* sped after her on her first Atlantic journey. Five days out from Liverpool, the *Persia*, running eleven knots an hour, struck heavily on a field of ice. For the first time that such an accident, though often threatened, had actually occurred to a Cunard steamer, the *Persia* was the only one of the number that could have survived the shock. The collision broke a large hole through the plates of her iron bow, tore the rivets asunder for sixteen feet on her starboard side, and bent and twisted the rims of her paddle-wheels as if they had been made of lead. No wooden vessel could have lived an hour after receiving that terrible blow. The first compartment instantly filled, but the water-tight bulkhead saved her, and though laden down with the weight of water in her bows, and sailing heavily by the head, she was enabled slowly to keep on her course, and reached New York in safety, though much behind the anticipated time. And where was the *Pacific*? Seven days after the accident to the *Persia*, and near the same place, the *Edinburgh*, on her passage from Glasgow to New York, picked up some cabin furniture, a lady's work-box, and a few trivial articles, in the position that ten days before had probably been occupied by the missing vessel. Subsequent reports left no doubt as to the fate of the unfortunate liner. Independently of the accident to the *Persia* and the report of the *Edinburgh*, the *Atlantic* on the 19th of February, the *Arago* on the 22d, and the *Africa* on the 2d of March, were all in imminent danger from the same cause, and near the same place, and on their homeward trip the *Baltic* and the *Arabia* both encountered the opposite shore of the same floating island whose eastern edge had proved so fatal to the *Pacific*, and so dangerous to the others.”

It was long before the public could bring itself to believe that the *Pacific* was lost. Week after week the suspense became more painful, but the *Atlantic* had been missing in the winter of 1851, and after a long agony the joyful news had reached us that she was safe in Liverpool, having put back in a disabled condition after making half the distance to New York. “Why may it not be the same with the *Pacific*? It cannot be that two out of the four ships of the Collins line have been lost within a period of eighteen months.” Thus

men talked, "hoping against hope," but the steamers sent in search of the overdue vessel returned without tidings; successive arrivals from Europe failed to bring the hoped-for intelligence; and at length the Pacific was placed on that dreary list of "missing vessels" of which nothing more will ever be known until the sea gives up its dead and reveals all the awful mysteries buried with them.

Until the completion of the Adriatic, the company chartered the Ericsson and the Quaker City to make out the required service; but the trips were irregular and unsatisfactory, the confidence of the community was almost destroyed, and the successful passages of the Adriatic, when at length she made her appearance, were not sufficient to dissipate the general distrust, or to remove the pressure under which the company labored. In this state of things Congress discontinued the extra compensation voted in 1852; and, as the company was hopelessly insolvent before, this hastened its inevitable suspension. It is common to blame Congress for this, and to charge it with breach of faith, as well as with a disregard to the national interests. This is most unjust, and evinces a want of discrimination which can only injure the steamship cause with our public men. A careful reference to the action of Congress on this subject, will show that the Collins Company had no reason whatever to complain of the treatment it received at the hands of the government. In 1847, Mr. Collins, in behalf of himself and others, entered into a contract for the conveyance of the mails between New York and Liverpool, agreeing to make twenty voyages each year, and to employ five vessels "of great speed, and sufficiently strong for war-vessels," which were to be ready for sea in eighteen or twenty months. Mr. Collins named his own terms, and they were acceded to, \$19,250 a voyage. As the stipulated time drew near, Congress was memorialized to extend the limit for the completion of the vessels, and it consented. It was then asked to authorize an advance of \$25,000 a month on each vessel, from the date of launching until the sum should reach \$385,000, equal to one years' compensation under the contract; this was in effect asking it to supply so much capital; but the money was voted. Mr. Collins now desired to be relieved from his obligation to

employ four midshipmen of the United States navy on each of his vessels; this also was conceded. His next request was that the construction of the fifth vessel might be postponed; and this was granted. In 1852, the Post-Office Department having expressed a wish to increase the number of voyages per annum from twenty to twenty-six; the opportunity was taken to ask that the compensation for each voyage might be advanced from \$19,250 to \$33,000. So that, instead of an annual subsidy of \$385,000 for twenty voyages, the amount should be \$858,000 for twenty-six voyages. Congress thus far had been very patient, but this demand was almost too much for its liberality, seeing that Mr. Collins had made the original contract upon his own terms, and that he was already receiving a higher rate of compensation than the Cunard Company. But it was urged in his behalf, that, during the two years which had transpired, he had been gaining experience at a heavy cost in a new field of enterprise; and that the disaster to the *Atlantic*, when she broke her shaft and returned to Liverpool, cost him \$100,000. The expense involved in maintaining the reputation of the vessels for speed was insisted upon, and the figures were presented which we have already given. It was more than intimated that this heavy additional compensation would in all probability be only needed for a short time; and after much discussion the measure was carried, with a proviso that six months' notice of discontinuance of the extra grant (\$13,750 a voyage) might be given by Congress after the close of 1854. In 1855, a persistent endeavor was made to secure the repeal of this proviso, and to make an unconditional contract at \$858,000 annually for five years; Congress, however, refused to make the entire grant absolute. It began now to appear that Mr. Collins and his friends were pushing matters too far for their own interest; each new demand was more excessive than the last, and yet the affairs of the company were becoming more involved than before. It is no wonder that, after their second great disaster, when they had only two vessels for a service which they had contracted to perform with five, and when of necessity they were irregular in their trips and behind-hand in time, Congress should vote to discontinue the concession of 1852, which was granted with the understanding that

it was to be temporary, and should restrict the company to \$19,250 a voyage, as originally agreed upon. It should be mentioned, also, that in 1855, when the Cunard vessels were withdrawn from the New York route, Mr. Vanderbilt had proposed to supply their place with a semi-monthly line, to alternate with the Collins ships, and had asked \$15,000 if he might confine himself to the average speed of the Cunard line, or \$19,250 if he were expected to make as good time as the Collins vessels had done. After the suspension of the company, its friends came to Washington once more, and asked for permission, on resuming the service, to go to Southampton instead of to Liverpool; but Congress had grown weary of so much importunity. One speaker expressed the feeling of a majority of the members when he said: —

“After having suspended the trips for more than a year, after breaking up the contract and denying his indebtedness to the government, and being at this very day indebted to the government in large sums of money for the very building of his ships, he [Mr. Collins] comes here and asks you to give him additional legislative favors.”

Mr. Vanderbilt had placed one or more steamers on the route to Southampton and Havre, and had again proposed to make a mail contract with the government, his terms being \$16,680 a voyage, the compensation paid by Great Britain to the Cunard line. We believe also that the Bremen steamers were still running, and to have acceded to Mr. Collins's request that he might go to Southampton would have been to give him a monopoly of which he had shown himself to be unworthy, and to enable him to run both these lines off the routes which they had occupied with credit to themselves and with security to the community. The Collins Company did not resume its service, and soon ceased to exist; its early history had been promising; it had been generously sustained by the government; a nation's pride had become identified with its prosperity; it had attracted the attention of the world by the brilliancy of its performances, and not less by the tragic terrors of its misfortunes; — but errors, fundamental and fatal, had entered into the scheme for its establishment and into the method of its administration, — errors which time did not modify, or experience counteract, — and the final disaster could not be averted.

The Cunard Company deserves more particular notice than we have yet given to it. The steamships with which the line was started were of 1200 tons* and 440 horse power,—the *Britannia*, the *Acadia*, the *Caledonia*, and the *Columbia*. They were an enlargement of, and in some respects an improvement upon, the vessels which Messrs. Burns and McIver had employed for many years between Glasgow and Liverpool. These had been sea-going steamers in all essential points, adapted for the rough passage of the Irish Sea, and tested by a coastwise service as stormy as is to be found anywhere. The experience gained in this trade was of the greatest importance when deep-sea navigation by steam was to be attempted, and contributed not a little to the subsequent success of the new company. The sphere on which they were entering was not altogether new to them; rather, it was the expansion of one which they had already shown themselves competent to occupy. The *Hibernia*, which came out in 1842, although not much larger than her predecessors, was considered an improvement upon them, and the *Cambria*, of 1400 tons, built in 1846, was regarded yet more favorably. In 1848 the company, still cautiously feeling its way, added to its fleet four fine vessels of 1800 or 1900 tons,—the *America*, the *Niagara*, the *Europa*, and the *Canada*. On the 1st of January in the same year, the *Hibernia* sailed from New York, opening the service on that route. In 1850 the *Asia* and the *Africa*, again somewhat larger, came into the line. All this time the passages had been gradually shortening, and the *Asia*, when new, repeatedly reached Boston on the tenth day from Liverpool. Early in 1853 the *Arabia* made her first trip; she was of 2400 tons, and attracted much attention. The *Persia* made her appearance in 1856, a splendid vessel of 3600 tons, with ample and commodious saloon and state-room accommodations. The model and the general effect of the Collins steamers had evidently been carefully studied and profited by. In one instance the *Persia* landed her passengers at Liverpool on the ninth day from New York. She, however, has had to give place to a

* It should be remembered that the tonnage of British vessels appears smaller than it really is in proportion to American vessels, because of the different modes of measurement prevailing in the two countries.

newer rival ; the *Scotia*, of 4100 tons, entered the service in 1862 ; she may be considered as the original fleet of 1840 compressed into one vessel, with every well-trying improvement in addition. She made the run to Liverpool last December in 8 days 21 hours, including the detention off Cork Harbor. All these ships of which we have spoken are paddle-wheel steamers. The company own also two powerful screw-steamships, which take their turn in the mail line,—the *Australasian*, of 1800 tons, built in 1857, and the *China*, of 2500 tons, in 1862 ; these are constructed of iron, as are also the *Persia* and the *Scotia*.

In this slow and steady progress we discover an important element contributing to the success of the Cunard Company. Never in advance of the times, but never far behind them ; never experimenting, but always ready to adopt any improvement thoroughly tested by others ; avoiding equally extravagance and parsimony ; carefully studying the nature of the service in which it is engaged, and so far as possible guarding against every contingency,—the success of this Company, taking all things into the account, has never been equalled. These vessels are plying constantly between Great Britain and the United States ; no gale sweeps the North Atlantic that does not toss at least one of them ; no fog rests on its bosom that does not obscure their path ; no floating berg or ice-field drifts to the southward that does not pass almost immediately athwart their bows. And yet they steam to and fro, during all seasons, amidst all dangers, in spite of all contingencies, with as much regularity as the ferry-boats which cross our harbors ; they come and go, bringing and taking their precious lading, and we have come to consider it all as a matter of course. "Yes," we have heard it said, "they are certainly very fortunate vessels." Fortunate ! That is not the word to apply to them ; it is not to good fortune, but to wise forethought, patient care, and good management that they owe their success. "Providence helps those who help themselves." These vessels are not exempt from exposure to casualty, or from extreme peril. They have more than once gone ashore ; they have been on fire ; they have come into collision with ice, with other vessels, and in a single instance with each other ; their

canvas has been torn to shreds ; their decks have been swept ; almost everything has happened to them as to other ships, except that, so far as we remember, not one of them has ever sprung a leak. But these perils have made their excellence the more apparent. When the *Europa* cut the *Charles Bartlett* down to the water's edge, in 1849 ; when the *Persia* struck the ice in 1856 ; when the *Arabia* and the *Europa* came in collision off Cape Race in 1858 ; when the *Africa* went ashore in the same vicinity in 1863, — the strength of the vessels, the discipline of the crews, and the seamanship of the commanders were made available promptly at the moment when everything was depending upon them. Then it was seen that the ships were not built for pleasure excursions, and that their officers were not dressed for holiday show. Such occurrences have secured a confidence for them which could not otherwise have been gained ; since it must now be admitted that they have not been especially favored of fortune, but that they have subjected fortune to themselves ; they have not only commanded success, "they have done more, they have deserved it ;" their construction has been proved to be most staunch and thorough ; and all will allow that they have been navigated with a skill equal to any exigency which has yet arisen, and with a watchful care ceaseless and untiring as the revolutions of their own paddle-wheels.

The Cunard Company has lost one vessel, the *Columbia*, which drifted ashore on Sable Island in a fog in 1842, and could not be got off. Everything pertaining to the passengers and crew was saved, and whatever was thought worth removal from the vessel itself was taken away ; nothing but the hull was finally lost, and many a storm swept on and over this before it broke up and went to pieces. During these four-and-twenty years more than 150,000 passengers have embarked by this line ; occasionally an invalid has died on board, but, so far as the company has been concerned, it has never failed in a single instance to fulfil its agreement with those who have intrusted themselves to its care. When we consider the fatality which has attended other lines, such a record is wonderful.

Of the roughness and danger of Atlantic navigation we have already spoken. But in the teeth of the most violent weather,

these stout ships, month in and month out, year in and year out, for more than twenty years, have perseveringly, persistently, triumphantly, pressed against and through all opposition, and attained the determined goal. We can recall but one instance in which the contest had to be abandoned for a time. In the autumn of 1856, in the storm which Sir John Herschel informs us is beginning to be recognized as one of the features of the European weather-table under the name of "the November atmospheric wave," the *America*, her decks swept, and the houses and bulwarks forward on one side carried away, was obliged to return to Liverpool for repairs. But the good ship sustained no substantial injury, and was soon ready to resume the voyage.

The first impression one receives on going on board these ships is of their massive solidity and strength, and the impression is not a deceptive one. In the machinery especially, the best material, the most skilful mechanism, and the most approved designs are made use of; the engines are always put together and thoroughly tested in motion before going into the vessel. Everything also is kept in the best repair. After a certain number of voyages, the vessels are hauled up, whether they appear to require attention or not. A visitor at one of the company's works near Glasgow saw several boilers lying about which had been condemned simply because of their age, and not because they were not to all appearance sound and good. He was told that, after a boiler has been in use for a specified time, the rule is invariably to remove it. The company do not wait until a boiler explodes before deciding whether it is defective; nor do they give it the benefit of a doubt.

The ships thus sent to sea in the best condition are navigated under strict and thorough discipline, and competent and experienced seamanship. Every captain must have served as first officer in the employ of the company, and every first officer must have been a captain in some other service. The supervision of the Admiralty, and the liability to a searching examination before the Board of Trade in the event of accident, doubtless exert a wholesome influence upon all who are in authority.

The pecuniary success of this line has been fully commen-

surate with its prosperity otherwise. From four small steamships it has grown to a fleet of nearly forty vessels, including all its branches. During the Crimean war it was able to supply to the government over 14,000 tons of steam-shipping, without interrupting its service to Halifax and Boston. The British government has always been liberal to it, and without such liberality it could hardly have sustained itself in its earlier years; for the passengers who then gave the preference to steamers were comparatively few, and to suggest the shipment on them of any description of freight excepting the most valuable and of the least bulk, would have been thought absurd. The subsidy has been increased from time to time, but in all instances in consideration of an extension of the service, and of an addition to the size or the number of the vessels employed. There is no question that with the government this is the favorite company of the whole packet service, doubtless because of its long-proved reliability and safety. While the West India Company is compensated at the rate of \$ 2.46 a mile, and the Peninsular and Oriental Company at the rate of \$ 1.53, the Cunard Company receives \$ 2.83.* This cannot be because the North Atlantic route is less remunerative from its ordinary receipts, or more costly to maintain than the others; but, as we judge, the payment is in part an acknowledgment of the admirable management of the line during all its history; which influences favorably other and similar lines, and which reflects no little credit upon the British marine. It stands ready to furnish to the government, at short notice, well-ordered and well-equipped steamers, in any exigency; and its managing owners are constantly called on by the authorities for information and advice on the subjects with which they are known to be familiar. In 1859, Mr. Cunard, who is conservative in his politics, was made a Baronet by Lord Derby, in recognition of what he had accomplished for ocean steam navigation. The present contract will expire on the 1st of January, 1867, with twelve months' notice thereafter; and notwithstanding the good disposition towards the line of both government and people, there will be a strong opposition brought to bear against the

* The compensation of the Collins Company was \$ 3.10 a mile.

renewal of the subsidy, by the Montreal Company, by the company which Mr. Inman represents, and perhaps by others.

While the contest for supremacy on the Atlantic between the Collins and the Cunard lines was in progress, and just when the spirit of rivalry had reached its height, the ship-builders of Great Britain were bringing to perfection a new class of steamers, which were destined to interfere more seriously with the carrying trade of the United States upon this ocean than any that had previously been introduced. We refer to the iron screw steamships, for which the yards and shops on the Clyde especially have become so famous; and our long neglect of which in this country has been far more fatal to our commercial interests than the hesitation of the Federal government to grant subsidies, of which our citizens so often complain. For, as these vessels have shown themselves able to compete with the British paddle-wheel steamers with their heavy subsidies, they can of course compete with American vessels of the same build, not subsidized at all. They cost less to construct and less to sail than a paddle-wheel steamer, while their capacity for freight and passengers is much greater. The Cunard steamer *Arabia*, of 2,400 tons, can carry only 400 or 500 tons of freight, while a screw steamer of the same tonnage, sailing at half the expense, will carry 1,800 tons. These screw steamers have also entered into successful competition with sailing ships, which the other steamers never could do to any serious extent; and they have come to control the freighting business between this country and Europe. They have solved the long-perplexing problem of self-sustaining ocean steam navigation, having indicated that the degree of speed really demanded by the public necessity can be attained at an outlay which the ordinary rates of freight and passenger traffic will justify. As now constructed, some of them are able to make passages on the average almost, if not quite, as fast as the best paddle-wheel steamers; and as their model and machinery are improved upon, their speed increases and their running expenses diminish; so that it is believed, at no distant day, for voyages of moderate length, they will entirely supersede sailing ships for every description of cargo. The freighting history of railroads illustrates the

manner in which, as the means of transportation become developed, traffic of every kind avails itself of steam. A few years ago, no one would have supposed that the New York Central Railroad could transport freight to advantage by the side of the Erie Canal; or that the Grand Trunk Railway of Canada would be able to take away nearly all the business of the St. Lawrence and Lake Ontario steamers. But it has been seen that screw propellers only can maintain themselves on parallel routes against railroad competition. The prices at which railroad companies now contract for freight would formerly have been pronounced ruinous; yet these prices are known to be remunerative. And as steam transportation on the land has shown itself thus to be more than a match for water-carriage, ocean steamers are now discovered to be formidable rivals to sailing ships for ordinary merchandise and for every class of passengers. The coal trade between Newcastle and London furnishes a double illustration on this subject. Formerly the colliers, so called, engaged in this trade, were the poorest, cheapest, and the least seaworthy vessels to be found in any waters. Anything that could float and move was considered good enough for the transportation of coal. But the Great Northern Railway put on coal trains, and, to the surprise of everybody, was able to take away the business from the colliers. And now, in recent years, iron propellers have entered into competition with the railway, and some of the largest proprietors make use of them altogether for the shipment of their coal to the metropolis. In a single year, 18,000 tons of iron screw colliers were built on the Tyne alone. Some of them are of 1,500 tons burden. It is estimated that in one year a screw collier will convey as many coals as ten of the ordinary vessels could do in the same time.

In 1852-53 the Cunard Company began to use iron propellers as auxiliary to their mail steamers; the *Alps*, the *Etna*, the *Jura*,* and others, were despatched from Liverpool or Havre to Boston or New York, as occasion required, and this led to the establishment of a regular line. The company has become convinced, also, that the screw can be employed in the

* The *Etna* was afterwards sold to the Inman line, and the *Jura* to the Montreal Company.

mail service as successfully as in freighting. The *China* alternates with the *Persia* and the *Scotia*, and her speed is nearly equal to theirs. She is said to be the least expensive and the most useful vessel belonging to the company. Her daily consumption of coal is about seventy tons, against one hundred and twenty tons consumed by the *Scotia*. In 1854 another line was started, under the direction and agency of Mr. William Inman; the vessels were called after various cities, and Philadelphia was made their destination in the United States. The first year witnessed the loss of the *City of Glasgow* and the *City of Philadelphia*; but the proprietors persevered in their efforts, managing the ships with economy, adapting them to the trade, and carefully increasing their power and capacity. In 1857 they changed from Philadelphia to New York. Notwithstanding its loss of three ships, the line has been a decided success, and has a hold upon the confidence of the public second only to the Cunard line. It began with a monthly service, but now makes weekly trips, and frequently in busy times two vessels a week are sent to sea. Mr. Inman testified before the Select Committee on Ocean Steamships of the House of Commons, that, up to the advent of the *Scotia*, the vessels of his line had beaten on the average all the Cunard vessels, and had beaten every vessel separately except the *Persia*. It is now claimed that the *City of New York* (since wrecked in Queens-town Harbor) made the fastest passage to Liverpool ever accomplished, beating the *Scotia* by a few hours. What is no less noteworthy, this line, unassisted by the British government, has been able to sustain itself against the subsidized companies. It should be said, however, that the abandonment of the Liverpool route by Mr. Collins gave an impulse to its operations, to which its success since that time is to be more or less attributed. It adopted the Collins sailing days, and, by an arrangement with the government of the United States, took charge of the mails which had previously been conveyed by the American ships, for the consideration of the ocean postage accruing upon them. The compensation for this service amounts to about \$200,000 per annum. This line, therefore, like all the British lines on the Atlantic, has been built up largely at our expense.

The trade of the Canadas, which formerly depended upon the St. Lawrence, and which was limited each year to the period of open navigation, now gives employment to several steamship lines, which make Portland their winter harbor. The Canadians have manifested an energy and a forecast in establishing them, which merchants and others on this side of the frontier may imitate advantageously. They have not been blind to the advantages of iron propellers, nor have disasters, constantly recurring and of the most disheartening nature, shaken them from their purpose. The Montreal Ocean Steam Navigation Company has had an experience much more trying than any of our own companies have known; for during the eight years of its existence, it has lost eight of its vessels. The usual hazards of Atlantic navigation are augmented by the perils it has to encounter in the Lower St. Lawrence, and the officers of the company have not shown themselves competent to cope with them. The Provincial government pays it \$400,000 a year for the conveyance of the mails weekly, and this subsidy, with a continually increasing business, has enabled it to bear up under its unprecedented misfortunes. There are two other lines in operation from Montreal, to Liverpool and Glasgow, and a line to London has recently been initiated; none of these receive government assistance.

The North German Lloyds Company of Bremen and the Hamburg American Packet Company have opened regular communication with New York, by means of the same class of vessels of which we have been speaking. We have said that in 1850 all the steamships engaged in the transit between Europe and the United States, excepting only Cunard's, were American. In 1864 there are twelve lines, and not one of them belongs to us. Of these, all except the Cunard mail-packets and the new French vessels are screw steamers. The Galway line we do not include among existing companies. It is to be observed, also, that the German and the French vessels are all built in Great Britain, and it is a question well worthy of the consideration of our rulers, whether such a temporary relaxation of the navigation laws of the United States as would, for a year or two to come, allow foreign-built steamers of large tonnage and of the first class to be placed under our

flag, would not be of the greatest service to us in many ways. By this means we should be able at once to obtain vessels for our projected steam lines, which our own ship-yards cannot supply for several years. We think, also, it would be beneficial to our mechanics, to bring to their more particular notice the mode of construction and the propelling power which already control ocean navigation, and are destined to do so still more completely, and in which, it must be admitted, we as yet do not excel. The style of ship-building in England was much improved by the presence of the magnificent clippers which were purchased in Boston and New York for Liverpool account; and although there certainly are builders in this country of approved skill, a moderate infusion of foreign ideas in our machine-shops would tend to give a higher character to our machinery. The frequent accidents which occur to the engines of our gunboats, and other naval vessels, demonstrate that we have still very much to learn in this respect.

To complete the account of this class of steamships, we may state that the Peninsular and Oriental Company was the first to adopt screw steamers for its regular service; in 1852 the *Chusan*, of 765 tons, and the *Formosa*, of 675 tons, were placed upon the route between Hong Kong and Shanghai. These were succeeded by the *Bengal*, of 2185 tons, and the *Candia*, of 1982 tons, between Suez and Calcutta. Of 73,285 tons owned by this company, 59,677 tons are in screw steamers, and these are mostly of iron. The West India Company has never built any except paddle-wheel steamers.

It would be a reflection on the intelligence of our readers, to offer statistics for the purpose of showing that a nation is sure to reap direct and immediate benefit when it places itself in the closest possible communication with other lands. But it may be well to observe how the profits of commerce inevitably transfer themselves, from a nation which does not pursue such a policy, to its more enterprising rival. Our exports and imports are not affected, as relates to countries which are connected with us by steamship lines, by the question whether these lines are owned by our citizens or by foreigners; but we are placed at a most serious disadvantage in trading to a country which is not connected with us in this way, but which

is reached by the steamships of other nations. The Hon. Mr. Alley, in his speech on the Brazil Steamship Subsidy, shows how we have been losing ground in our intercourse with the countries of Central and of South America, while England has been continually gaining. He says : —

“ Our commerce with these countries, previous to the rebellion, either decreased or remained during this same period — the last decade — almost stationary, while that of England flourished and increased, in many instances fourfold, under the fostering care of her subsidy system. In 1859 our trade with Mexico was in exports to that country about three and a half millions of dollars, and our imports from there about five and a half millions, upwards of four millions of which was specie. England exported and imported about four times as much during the same year. It should have been reversed. We should have had four times as much commerce with Mexico as England.”

The following are the results of the steamship line between Great Britain and the Brazils, established in 1851 : —

“ The first year British exports were increased five millions of dollars, and the imports and exports of England with Brazil the first six years were doubled, while the six years immediately preceding the year 1851, without steam communication, the trade remained stationary.

“ Our exports to Brazil in the year 1858 were about five millions ; in 1859, about six millions ; in 1860, nearly the same ; and in 1861, within ten thousand dollars of amounting to five millions.

“ Our importations from Brazil during the same period — four years — were seventeen millions in 1858, twenty-two millions in 1859, twenty-one millions in 1860, and something less than fifteen millions in 1861. This enormous balance against us — an average annual amount of about thirteen millions — had to be wiped out, of course, in coin. Contrast this with the trade of Great Britain in 1861. Her exports to Brazil amounted in that year to over twenty-eight millions of dollars, and her imports of Brazilian products (other than specie) less than half that sum, — making a balance in her favor of about the same number of millions as we show of balance against us, — a trade which greatly increases the wealth of England, and to no small extent impoverishes us.”

It is not to be supposed that the people of the United States will quietly withdraw from the maritime struggle in which we have been engaged almost ever since we became a nation, and

permit the commerce of the world, our own included, to be carried on under foreign flags. Nor do we believe that the energy and skill of our merchants have been exhausted by the efforts hitherto made to establish American steamship lines on the ocean. Our business men are not easily discouraged or daunted, and the time is not distant when this whole subject will receive the attention which its importance deserves. It is to be hoped, however, that we shall profit by experience, that we shall undertake the work before us calmly, considerately, and prudently, and that we shall start on sound principles. The mortifying failures to which we have been subjected in the past indicate the dangers to which we shall be exposed, and which are to be avoided by us, in the future. One of these dangers, and not the least, is a *spirit of rivalry and of national pride*. Mr. Rainey, in his book on the Ocean Post, which contains much valuable information, but is strangely incorrect in its assertions about screw steamships, and, in our view, is altogether unsound in its advocacy of expensive mail lines, speaks of the Collins steamers thus: —

“They have literally been engaged in a continual race across the ocean for seven years, determined at whatever cost and hazard to far excel those of the Cunard line.”

No manufacturer, importer, or artisan could long maintain himself, who should adopt such a policy as this implies, and should estimate a nominal advantage gained over a rival above his own security and emolument. And yet the New York Memorialists ask of Congress

“that subsidies shall be offered to a first-class line, to make weekly trips from New York to Liverpool and return; and they ask this, not alone in the interest of the general trade of the country, for it can hardly be asserted that such a line is imperatively demanded, but because the pride of the country, as well as its position as a first-class maritime power, is involved in the maintenance of the best and fastest line which shall connect the capitals of the two hemispheres.”

Does the New York Chamber of Commerce want another Collins line? In any such desire as this neither Congress nor the country can join with it. If there be no commercial neces-

sity for an American line to Liverpool from New York, the same may not be, and probably is not, true of Boston, Philadelphia, and Baltimore, and "the pride of the country, as well as its position as a first-class maritime power," would be sustained more creditably by a solvent and mainly self-supporting line from any one of those cities, than by a company at New York maintained by the public purse. But whether from New York or elsewhere, there are other attainments to desire than speed, and if American ocean steam navigation shall ever become successful, it will be when we have accepted some ideas in reference to it beyond and above those suggested by a regatta.

Nor does it follow because Great Britain or any other power employs steamers on a given route, that, apart from all other considerations, the United States should place a line there also. The situation and circumstances of each nation must determine the routes which it can properly and profitably occupy. The English ocean post is not an artificial system; but is the natural result of the situation of the British Islands, and of the extent and importance of the British colonies. Mr. Emerson in his "English Traits" says: "England resembles a ship in its shape, and, if it were one, its best admiral could not have worked it, or anchored it in a more judicious or effective position. The shop-keeping nation, to use a shop word, has a good stand. England is anchored at the side of Europe, and right in the heart of the modern world." There are routes in the waters surrounding her, and along the coasts adjacent to her, where it would be folly for us to attempt competition. Her steamers trading to the various ports on the North Sea and the Baltic are engaged in a commerce which legitimately belongs to her and to the other nations bordering on those seas. The service to Oporto, Lisbon, Gibraltar, Malta, and Alexandria, if not exactly belonging to her by geographical right, comes more naturally within her domain than ours. It must be remembered, also, that her colonial possessions in every quarter of the world make it imperative on her to keep up constant and reliable communication with them. She must knit firmly together her widely scattered provinces, or she cannot retain her hold upon them. The security of these de-

pendencies had more to do with the development of her ocean postal system, than any determination to build up a world-wide commerce. British statesmen are not wanting in forethought or breadth of vision, in their care for the promotion of the national prosperity; but we do not believe the wisest of them foresaw how wonderfully expansive and how richly remunerative the ocean mail service was to prove. They were shrewd enough, however, soon to discover the advantage which was to be derived from it, and promptly to seize the opportunity. The first Cunard contract was made principally in the interest of British North America; and Halifax and Boston were therefore selected as the Cunard ports on this continent. The service to New York was an afterthought, and grew out of this. In the same way, the service to the Brazils was the natural expansion of the contract for the West India mails. We all know the value which Great Britain places upon her Indian empire and upon her influence in the East. The political reasons for connecting herself with Asia by the shortest and quickest route are of the greatest weight; and these explain the existence of the Peninsular and Oriental Company.

On the other hand, we regard the ocean postal system of France as somewhat artificial. That she should navigate the Mediterranean by steam, is natural enough; but there is no commercial necessity for her establishing independent lines on the Red Sea and the Indian Ocean, nor any political necessity, except that which grows out of jealousy of her neighbor. The establishment of an expensive mail line between Havre and New York, we look upon as of questionable policy. It is in accordance with the spirit of the French government to expend large sums of money to keep up a good appearance, and so long as these ships can be thus supported, they will probably continue to run.

How then shall we define the appropriate sphere for ocean steam navigation under the American flag? In a word, it is that which belongs to us by geographical propriety. If the time shall come when this is fully occupied, the circumstances of the case will have changed, and we shall be warranted in passing beyond its limits. These limits, however, are neither

narrow nor confined. On our own shores we can develop a steamship system equal to that of all Europe in extent and in commercial value. The distance from Portland to the Gulf of Mexico is nearly as great as from Southampton by way of Gibraltar to Alexandria. These coastwise lines must be brought up to the highest point of efficiency and safety. Boston has recently organized a line to Liverpool on a sound and conservative basis, which promises well. If there be no inducement at the present time to start a similar line from New York, the shrewd merchants of that city will watch the opportunities, and will be prompt to act when such a movement shall become a necessity. Instead of laying out parallel routes to Liverpool, Havre, Bremen, or Hamburg, as their Memorial contemplates, would it not be wiser to turn their attention to points with which we have no direct steam connection whatever? We question the expediency, also, of organizing a new and intricate mail service among the various islands of the West Indies. Let us rather avail ourselves of the expensive and convenient service supported by Great Britain, and this we can do by means of our Havana and our St. Thomas steamers.

Communication by steam with the Brazils, too long delayed, is likely soon to be established. By the authority of Congress, the Postmaster-General has advertised for tenders for a monthly service between "some port north of the Potomac" and Rio de Janeiro, touching at St. Thomas, Pernambuco, and Bahia. It is understood that the Brazilian government will unite with our own in subsidizing the proposed line, and we may confidently hope that the increased intercourse which it will facilitate will prove highly beneficial to both nations. Another route, which by every right belongs to us, is between San Francisco and China. Our interest in the commerce of the East is second only to that of Great Britain, and we ought to secure ourselves in it by means of adequate steamship connections. But we cannot sustain an East India line by way of Alexandria and Aden; even with the completion of the Suez canal, we could not compete with the English and the French. On the Pacific we have a route peculiarly our own; and if we are true to ourselves, no foreign companies can in-

terfere with us in its possession.* The first responsibility for making it available rests with the merchants of San Francisco, as being immediately and primarily interested in the result. They should organize a company, subscribe liberally to the capital stock, and then come to New York and Boston to invite the co-operation of enterprising men in the Eastern States. Through their Chamber of Commerce, they have already memorialized Congress for its aid; but in our opinion, every preliminary step should be taken before making application at Washington. When those who are most deeply concerned have pledged themselves that the work shall be accomplished, it will be comparatively easy to secure a postal contract.

This suggests another error to be avoided in future efforts in behalf of American ocean steam navigation, namely, *undue reliance upon the government*. The Grand Duke of Baden, the Viceroy of Egypt, and other potentates in the Old World, are the proprietors of the railways which traverse their dominions, and of other public works. In the United States we have been accustomed to depend upon ourselves in the development of great improvements. Our material prosperity is the result of private industry and energy, rather than of legislative expenditure. Some deviation from this policy may be necessary in maturing our ocean postal system; but even in this, the intervention of the government should be incidental and subordinate; it should tend to stimulate, not to stifle, individual enterprise and prudence; and it should be designed, not to give existence to steamship companies, but to impart to them increased efficiency. Grants of public money will not communicate soundness to an unsound project, although they may essentially assist one that has the elements of success within itself. For political reasons, and contrary to its usual course, the British Parliament awarded to the Galway Company a large subsidy, equal for the service performed to the compensation of the Cunard Company; but it was not large enough to give life to a concern which was destitute of all inherent vitality. The Collins contract was the most ample and generous ever enjoyed by any company; what the result of it was, we now

* An attempt was made a year or two since to establish an English line on this route, but it was soon given up.

know. Twenty-five years ago private capital could not cope with the pecuniary difficulties which then embarrassed ocean steamers; but ingenuity and experience have wrought great changes, and now even in Great Britain, where the postal subventions have been so liberal, new lines are constantly going into operation without reference to or dependence upon aid from the government.

The keen and philosophical observer from whom we have already quoted unfolds the secret of the success of the English steamers in a few words which deserve to be carefully pondered. He says: "Solvency is in the ideas and mechanism of an Englishman. The Crystal Palace is not considered honest until it pays;—no matter how much convenience, beauty, or *éclat*, it must be self-supporting. They are contented with slower steamers, as long as they know that swifter boats lose money. They proceed logically by the double method of labor and thrift."

Our government unquestionably has a duty to perform in this matter. It owes a fostering care to every national enterprise, both on the land and on the sea; and it has a direct interest in the fullest possible development of the national resources. That it has been more or less delinquent in regard to the ocean mail service, cannot be denied. In its relations with the Collins Company it was too easy, too lax, and too lavish; and its legislation was too exclusively for the benefit of that one company. When the company failed, steps should have been taken immediately to supply its place with a sounder, more efficient, and more trustworthy line. It was hardly statesman-like to throw up the whole question in despair, and to abandon everything to foreigners, because in one instance a costly experiment had been unsuccessful. A special committee should have been appointed by Congress to make a thorough investigation into the causes of this failure, and to propose a plan for the future. Judicious intervention at that time on the part of the government would have encouraged new attempts, notwithstanding the disheartening effect of the misfortunes we have described. But this was wanting; and our ocean commerce was permitted steadily to decline, until, as has already been said, we are now dependent upon rival powers for the

conveyance of our mails, government despatches, and passengers, both private and official, to every quarter of the globe. In making a new beginning, as we must now do, it is to be expected that the government will manifest a due regard for the great interests involved, and will carefully consider both the manner and the measure of the co-operation which it ought to render. As other governments evince a strong and energetic purpose to promote their own ends and to assist their own subjects on the ocean, it is not reasonable to ask our citizens to engage by themselves and unassisted in a struggle so unequal and so costly.

The aid thus on good grounds to be anticipated should be given in the form of postal compensation, and in view of a full consideration to be returned. The public money ought to be appropriated for public, and not for private objects; to promote the good of the community at large, and not to enhance the profits of proprietors or stockholders. If an American company undertake an important service with limited means, so that it cannot employ as large a class of vessels, or make as many voyages, as the interests of the nation seem to demand, a subsidy should be granted which will enable it to make its plan more comprehensive and more generally beneficial. The British government, in renewing a contract or increasing a subsidy, invariably requires an extension of the service, or such improvements as will render a fair equivalent for the privileges conferred. It is to be expected and to be desired that the enterprise of those who thus essentially advance the welfare of the community while seeking to use their money advantageously, should be amply rewarded; and to this, as an indirect consequence of the discriminating action of the government, no one can object.

We think it better for Congress to authorize a call for tenders, as it did at the last session, for the new Brazilian service, than to pass a bill in favor of a particular company. But it does not follow that the department should be restricted to the acceptance of the lowest bid. It should be left quite free to use its best judgment. Judge Collamer, whose familiarity with every postal question is well known, expressed his views during a debate on this subject in the Senate, a few years ago, as follows: —

"I think these ocean contracts should be made just as mail contracts are on the land. When you have fixed the route, and declared that there shall be a mail line by steamship between a point on the American and on the European coast, or anywhere else, let the Postmaster-General advertise for and receive proposals. I do not say that the Department should be compelled to make a contract with the lowest bidder. I think he ought to have a discretion to ascertain whether the lowest bidder is a man of straw, a man to go into the market and fix up a joint-stock company, sell shares, and let the government whistle for service. I think the Postmaster-General should have a discretion to see that the men who offer to make contracts are responsible, that they will carry out their contracts, and he should stipulate for the size, proportion, and rate of the vessels."

To give only the accruing postages for the conveyance of the mails is not sufficient, and in the Transatlantic service would do injustice to a new American line. The various foreign steamers have adopted the best sailing days, and as the usage is to make up mails for them all, the letters which a new line would be likely to secure would be a small proportion of the whole, and would probably yield a less compensation than that received by the steamers sailing in competition with them. There are many reasons also why the present rates should be reduced, and this cannot be accomplished if the cost of conveying the mails by sea is to be permanently provided for out of the postal earnings of mail steamers. It should not be expected that our ocean mail-service will be self-supporting; it may be very profitable, and yet not in any direct manner pay its own expenses. The commercial advantages which will follow an enlightened and liberal policy will vastly preponderate over any deficiency that may appear on the balance-sheet of the Department.

DETROIT COMMERCIAL CONVENTION.

THE

WEST AND THE EAST

EQUALLY INTERESTED IN THE DEVELOPMENT OF

AMERICAN STEAMSHIP NAVIGATION.

†

AN ADDRESS

BY

HAMILTON A. HILL,

ONE OF THE DELEGATES FROM THE BOSTON BOARD OF TRADE.

BOSTON:

1865.

J. H. EASTBURN'S PRESS.

OCEAN STEAM NAVIGATION.

MR. PRESIDENT :

AMONG the subjects deserving and demanding the careful attention of this Convention, Ocean Steam Navigation is certainly not the least important. As citizens of the United States, we have constantly been in the habit, and justly, of pointing with pride to the extent and growth of our mercantile marine ; to this we have been largely indebted for our national wealth, and this, perhaps more than anything else, has impressed other nations in reference to our resources and our enterprise. So long as the traffic of the ocean was carried on by means of sailing vessels, we not only maintained a respectable position before the world, but we were rapidly gaining upon all competitors, and the very first place seemed within our reach. The model and construction of our vessels, the intelligence and skill of our shipmasters, and the energy and character of our merchants made the American flag known, respected and admired on every sea. This was the state of things when the application of steam power to ocean navigation produced a change which was totally unexpected, and therefore unprovided for.

At the first, ocean steamships were built and used exclusively for the conveyance of the mails and of first-

class passengers. This "packet service" regulated for its own requirements, as then understood, their construction and their management, and no provision was made for ordinary freight or for immigrant passengers. So long as they were the only steamers upon the ocean, there was little interference with sailing vessels; and so far from injuring these vessels, they increased their business by the added facilities afforded by them to general commercial intercourse. Up to that time, therefore, American shipping was benefited by the establishment of steamship lines; and no such monopoly was threatened as would prevent a nation like our own from participating in the new traffic whenever it might desire to do so. Indeed, as soon as the voyages of the Great Western and the early Cunarders had demonstrated the feasibility and the value of this mode of navigating the Atlantic, there was a desire among the more enterprising citizens of our country to establish American lines to various European ports, and the attention of Congress was repeatedly called to the subject from 1841 and onward. The Cunard line commenced operations under a contract with the Lords of the Admiralty in 1840; but *our* first transatlantic line, between New York and Bremen, did not start until 1847, the line from New York to Havre following the next year, or next but one. We were from the first, at a disadvantage in this new competition on the ocean, and Great Britain was continually making her position stronger and more secure. The British companies were able to command an abundance of capital, and the

comparative cheapness of material and labor in their country, gave them opportunity to use this capital in the construction of their vessels to the best advantage. The Governmental grants, liberal, steady, and constantly increasing, superadded to the other facilities enjoyed by them, unquestionably laid the foundation for their subsequent stability and success. By these they were enabled to maintain themselves while making what was then an experiment, and a most costly one, and they gained time over us to our incalculable loss. Our Government rendered some aid to the Bremen and Havre companies just referred to; but it was inadequate, and was not given on a clearly defined and adopted principle, such as influenced the British Government in all its subsidies, from the time when the possibilities of ocean steam navigation first became apparent. When the Peninsular and Oriental Company had taken full possession, as it were, of the Mediterranean, the Red Sea and the Indian Ocean; when the Royal Mail Company had secured the monopoly of the archipelago lying off our own coast, including also the Spanish Main, the Isthmus, and some of our Southern ports; and when the Cunard Company, by a weekly service alternately to Boston and New York, threatened to absorb the steamship traffic in the North Atlantic; Congress consented for the first time to give such assistance as was required to place an American line upon anything like an equal footing with its European rivals. The contract at length entered into with the Collins Company, was more than liberal; the interest of the

Federal Government and of the people was fully aroused to the importance of the undertaking ; and a splendid opportunity was given to retrieve the apathy and the delay of the past. It was fully expected and believed that the New York line would develop to that success and permanent prosperity which the great companies under the British flag had attained ; while our coastwise lines on the Atlantic and the Pacific, gave encouragement to the friends of American commerce, which has not since been disappointed.

We cannot go at length into the causes of the failure of Mr. Collins and his associates, but they ought to be adverted to in a review of the past, and in making plans for the future, on this subject.

1st. The capital of the company was insufficient for the business which it was proposed to perform. It was stated during the debates in Congress in 1855, and the statement was not controverted, that up to that time although the four vessels of the Company had cost \$2,944,142, its capital paid in amounted only to \$1,200,000. It began therefore with a cumbrous debt of \$1,744,142, which was secured by mortgages on its steamers, and which made a continued drain for interest and commissions. This difficulty, however, would not of itself have proved fatal, for the receipts of the Company from the Government for the transportation of the mails during the first five years amounted to \$3,413,966, or considerably more than the cost of its ships. Its receipts also for passengers and freight were very large.

But, 2nd, the Company was too anxious immediately to outdo those who, by perseverance and long experience, had become familiar with and skilful in the business. The Cunard Company had prospered because patient industry, caution, shrewdness and economy had characterized its management from the very first; without these qualities the assistance it received from the English Government would have been in vain. Its success had been so complete, and the reasons for this success had been so obvious, that the Collins Company might well have been satisfied to emulate its example, and to use its experience. Instead of this, it was determined that the American steamships must be larger, that their fittings must be more luxurious, that their *cuisine* must be more elaborate, and that their speed must be far in advance of their staid, steady, but somewhat stolid rivals. On the very first voyage they were to demonstrate our superior genius and skill; and the uninterrupted, carefully acquired and closely studied experience of ten years was to prove of no value to Cunard and MacIver in the contest. It would have been contrary both to principle and precedent, had such expectations been realized.

3rd. The danger of this rivalry was aggravated by its being made to exhibit itself mainly in reference to speed. The avowed object of Mr. Collins from the first, was to outsail the British steamers, even if it were necessary to put all the capital at risk in order to do it. Nor was this enterprising gentleman the only one at fault in this respect. The speeches in Congress, by the

friends of the line, were in the same strain; the newspapers encouraged it, and the people generally demanded for their mail steamers pre-eminence in speed, as in everything else. The result could not be otherwise than disastrous. To be sure the object was attained, and the performances of the noble ships were brilliant, and for a long time unsurpassed. But at what cost? It was testified before a Committee of Congress, that the saving of a day each way, in the trip from New York to Liverpool and return, cost the Company \$16,800, amounting at the end of the year to \$436,800, more than half the cost of the Atlantic or the Arctic. Two items contributed principally to this enormous outlay, repairs and fuel. In reference to the former, Mr. Rainey in his "Ocean Post," informs us that the repairs on the Collins ships for the first six years amounted to more than their original cost, or to about 18 per cent. per annum; the usual cost on British mail steamers being about 12 per cent. This difference he attributes to the rate of speed attained by the Collins line. As regards fuel, few are aware how largely the consumption is increased by adding to the speed. It is an ascertained law that the resistance to bodies moving through the water, increases as the square of the velocity; and the power (or coal) necessary to produce speed varies as the cube of the velocity. Thus, a steamship which, at the speed of 10 miles an hour, consumes 41 tons of coal a day, would at 12 miles an hour consume 71 tons, and at 13 miles an hour 90 tons, or two and one-fourth times as much as at 10 miles. With these

estimates before us, and remembering the speed at which these boasted ships were driven, Mr. Collins' figures are by no means incredible. But they represent only a small portion of the sacrifice made to shorten the time between New York and Liverpool to the minimum. The swift passages of which the Company and the country at large were so proud, were made on a most dangerous ocean, amid fog and ice, along a thousand miles of coasting, and in the track of the whole mercantile marine employed in the commerce between Europe and North America. It was not strange that after many narrow escapes, two of the Company's steamers at length perished in mid-ocean; the Arctic, in 1854, by collision in a fog with another steamer; and the Pacific, in 1856, probably by coming in contact with floating ice-fields. These disasters, attended with great loss of life, impaired the confidence of the travelling public and of Congress in the remaining vessels, and hastened, if they did not directly promote, the final ruin of the Company.

4th. One further consideration should not be overlooked. The Collins Company relied too much upon the support of the Government, and not sufficiently upon its own exertions. Feeling that it had the public purse to depend upon, it did not control its expenditures within the limits of a wise economy, or manage its affairs with that care and prudence which every commercial undertaking must receive in order to ensure its permanent prosperity. A government subsidy, however liberal, will not sustain a line that does not possess

the conditions of success within itself, nor is it desirable that it should do so. Whatever fault may attach to Congress in the matter, it should not be blamed for withdrawing the subsidy of 1852, which was a temporary and conditional concession added to the original contract amount; for its continuance would only have postponed, and, in all probability, have aggravated, the catastrophe. It was evident that the Company was disposed to live upon the Government, and the sooner the connection between the two was terminated, the better for the public morality and for the general interests of commerce. The failure of the costly enterprise was most humiliating to the nation, and its effect has been to discourage and retard our progress in steam navigation; but if we would not repeat the same experience, we must not hesitate to use candor and discrimination in judging of the causes which have worked us so much mortification and loss.

Two mistakes, as we apprehend, were made on the abandonment of the Collins enterprise, and which will account for the present unsatisfactory condition of our ocean steam navigation. One of these mistakes was made by the Government, and one by the mercantile community. The mistake of the Government consisted in its throwing up in despair the whole subject of steam, and of practically assuming that where Mr. Collins had failed, no one else could succeed. In its relations with this favored Company, it had been too easy and too liberal; it now swung to the opposite

extreme, and from doing too much, came to do nothing. It was not politic to leave the steamship traffic of the Atlantic in the hands of foreigners, because one great experiment had proved abortive. A special committee should have been appointed by Congress to make a thorough investigation into the causes of this failure, and to propose a plan for the future. Judicious intervention at that time on the part of the Government would have encouraged new attempts, notwithstanding the disheartening effect of the misfortunes referred to. As a most important public interest, the subject should have received prompt and earnest consideration; the action of other governments in fostering their respective steamship lines, laid the obligation upon our own to encourage our citizens to persistent efforts in the contest for the great steamship routes terminating on our shores; and our statesmen should have been no less sagacious and far-seeing in reference to the results of a liberal policy in this respect, than public men in other countries. Congress owes a duty to every source of national wealth; and it was a most serious error to permit one of the magnitude of ocean steam navigation to fail from absolute neglect.

But at the crisis alluded to, the mercantile community was also at fault, and our commerce is this day suffering in consequence. It was just at this time that screw steamers had begun to show their adaptation to ocean service, and were coming into general use with foreign companies. These are the steam vessels that have interfered with the business

of sailing ships on the Atlantic Ocean; and as this business was largely in our hands, they have interfered seriously with us. They have diverted all the passenger and freighting business which our famous packets used to control; and as they are all owned abroad, this transfer of trade from canvas to steam has proved to be a transfer also from American to European tonnage. We have been strangely slow to the advantages offered by this class of vessels, although the experiment has been worked out under our very eyes, with the most abundant success. They cost less to construct and less to sail than paddle-wheel vessels, while their capacity for freight and passengers is much more. We have it on the authority of Sir Samuel Cunard, that the Arabia of 2,400 tons, can carry only 400 or 500 tons of freight, while a screw steamer of the same tonnage, sailing at half the expense, will carry 1,800 tons. Their speed also, has been proved to be fully equal, if not superior, to the side-wheel steamers. Mr. Inman testified before the Select Committee on ocean steamships of the House of Commons, that up to the advent of the Scotia, the vessels of his line, all screws, had beaten on the average, all the Cunard vessels, and had beaten every vessel separately except the Persia. Subsequently, the City of New York, just before she was lost, beat the Scotia on the fastest passage ever made by the Cunard line; and during the month of June last, the splendid run of the China to Liverpool in nine days, and of the City of Boston to New York in about the same time, indicate

that screw steamers are achieving a reputation for speed which promises to be permanent and uniform. This combination of economy, capacity and rapidity has not only enabled ocean propellers to drive sailing ships out of the competition—they are also rapidly taking the place of the old fashioned paddle-wheel steamers. Of more than 73,000 tons owned by the Peninsular and Oriental Company, 60,000 tons are in screw steamers, although up to 1852 all its tonnage was in side-wheel vessels. The Cunard Company has for several years employed a fleet of screw steamers for freight and passengers both in the Mediterranean and in the Atlantic trade; it is now building this class of vessels for its regular mail service; its newest and most favorite ships are the *China* and the *Cuba*, and other similar steamers are in course of construction. There are other prosperous lines engaged in the trade between the United States and Europe, which have always employed screw steamers, as the well-known and popular Inman line, and those connecting New York with Bremen and Hamburg. And yet in this country, we are still indifferent to the merits of these steamships, and the ideas of most of our merchants cling to paddle-wheel boats which, to be sure, are well adapted for our river navigation, but which have lost their pre-eminence on the ocean. Boston has built screw steamers for several of its coastwise routes, which have acquitted themselves well both in the service for which they were designed, and in the employment of the Government during the war. In the great city

of New York, this class of vessels is not yet appreciated as it will be. We may be sure, however, that with or without the assistance of Government, no American line, which may be started in the trade with Europe, will succeed in a pecuniary point of view, unless the screw be adopted, instead of the paddle wheel. Such a line will have to compete with screw steamers, skilfully managed and economically sailed; and for general commercial purposes, the paddle wheel cannot succeed against the screw. At the present time there are twelve steamship lines employed in the transit between Europe and the United States; of these, all except the new French line, and a portion of the Cunard fleet, are screw steamers. When to this fact it is added that none of these lines, trading as they do to American ports, belong to the American flag, there appears strong ground for the statement that the neglect of our merchants to apprehend and appreciate the advantages of the vessels referred to and to adopt them for their use, has contributed in a most important degree to bring us, as a nation, to our present mortifying position in reference to the navigation of the ocean by steam.

To this two-fold mistake—of indifference on the part of the Government, and of slowness of comprehension on the part of the mercantile community—we attribute it that at the opening of the civil war in 1861 there were only two or three American steamships in the European trade, and that for four years no American steamship in the merchant service

has crossed the Atlantic. The departures from the port of New York, of transatlantic steamers, are almost daily, but none of them belong to us. Two lines connect Boston with Liverpool, but they are both British. It is not pleasant to feel that we are indebted to the protection of a foreign flag for the safe transportation of our mails and our citizens on every ocean round the globe; but when we are obliged to have recourse to foreign steamers to convey us from our own shores across an ocean which, geographically, would almost seem to belong to us, the necessity is, to say the least, a most unfortunate one.

We cannot allow the present state of things to continue without seriously compromising our national dignity. If we would maintain the distinction upon the ocean to which we are entitled, we must perform our full share of the carrying trade, and to meet the existing requirements of this trade we must possess a large steam tonnage. It should not be forgotten that, at the commencement of the rebellion, companies who had grown rich in connection with the prosperity of this country, refused on the plea of neutrality, to bring supplies for the Government in the day of its trial. The advantages which would have accrued to the Government at that time from one or more well established steam lines to Europe, under our own flag, can hardly be estimated.

But the days of civil war have passed away, as we trust, never to return. It still remains true, however, that the position of our nation among the great powers

of the world, demands that we keep pace with all others in the development of our mercantile marine. In former times, when our commerce was wafted under canvas upon every sea, it would have been thought most absurd to maintain that whether the carrying trade continued in our possession or otherwise was of little importance, so long as merchandise in sufficient quantity was brought to or taken from our shores. Such an opinion would have implied that there is little value in marine commerce, and that there is no special advantage in being a great commercial nation. This would have been held to be a concession to another power forever of the supremacy of the seas. But why, then, the anxiety always manifested by this nation to promote its foreign commerce; why its sensitiveness for the honor of the flag; why its jealousy for the protection of our seamen, the freedom of navigation, and the equality of our vessels with those of the most favored nations? The introduction of steam has not changed the principle upon which, as a nation, we have always acted; it has simply modified the conditions under which we must act for the future. In the very blood of our people we have the spirit and the ability to navigate the seas; our national energy requires that we maintain our position on the ocean, and our national history will lack consistency and completeness if we do not. And unquestionably we shall retrieve our position, and gain under steam all and more than all we have lost under canvas. We shall doubtless do our own carrying trade, just

as we shall raise our own grains and staples, and manufacture our own goods; promoting all our great interests in harmony with and for the benefit of each other.

Our national wealth will be promoted in two ways by our participation in the ocean steam navigation of the world. We shall, in the first place, receive the direct profits of ocean commerce which now go abroad to build up and enrich foreign companies. For every passenger who travels to the old world, a sum of money in gold is withdrawn from our national resources. For every package of foreign merchandise entering into the consumption of the country, a certain amount of gold is remitted abroad for freight money. Even the postages on all our correspondence accrue to the benefit of other nations. Surely we cannot longer afford to employ foreigners to perform this service for us, seeing that we can do it equally well ourselves. All this capital we need at home for the establishment and support of our own steamship companies, and for increasing our ability to bear without inconvenience the national burdens.

But the indirect benefit to our wealth from successful ocean steam navigation will be still more important. The statistics of British commerce show that with the opening of steam communication a new impulse is always given to the operations of trade. With the regularity of a natural law, frequent, speedy and regular means of intercourse between nations, invariably extends the exchanges of products, and adds to

the profit of such exchanges. The able and elaborate Memorial of the New York Chamber of Commerce submitted to Congress in 1864, contains carefully prepared tables which fully establish this fact, and illustrate most clearly the benefit which other nations have derived from the multiplication of steamship lines, and by implication, the opportunities for gain which we hitherto have failed to improve.

This subject is beginning to receive the thought and consideration to which its importance entitled it. Congress passed a bill in 1864, authorizing the Postmaster-General to contract for a monthly mail service between some port north of the River Potomac and Rio de Janeiro, calling at certain intermediate ports. It is expected that the Brazilian Government will assist in the support of the line which will be established as the result of this legislation; and we may hope that the mails and market intelligence transmitted between the great and prosperous nations of North and South America, will not longer be conveyed by way of England and English steamers, involving an unnecessary outlay and great loss of time. At its last session Congress passed a bill to encourage the establishment of a steamship line between California and China. This is a route which, by every right, belongs to the American people, and we should be culpable in the extreme if we failed to occupy it. English enterprise has long regarded it with interest, and an English company undertook the service two or three years ago, but for some reason did not continue it. We

still have the opportunity, therefore, to open up this rich and promising trade for our own advantage; and, although it is the immediate and appropriate duty of our fellow-citizens and our fellow-merchants on the Pacific coast, to organize and promote this enterprise, it is no less our duty to assist it in every possible way, and to manifest on all favorable occasions that sense of its great value to the entire country which we cannot but entertain on an examination of the facts of the case. The merchants of New York are desirous to open direct communication by steam with the Mediterranean; and the Italian Government, feeling anxious to be brought into closer contact with the United States, has proposed to guaranty a portion of the capital for a company, which shall assume this service. The advantages of such a line are very evident; and would have no direct conflicting line to contend with, a consideration which unfortunately for us, does not attach to many eligible steamship routes on the globe. In Boston a company has been established by special charter, and has been regularly organized, which proposes to enter into competition with the Cunard line in the Liverpool trade. This company has been delayed in the fulfilment of its plans by the temporary effect of the war upon the currency, and by the requirements of the Government upon ship-builders and merchants, but now that the price of labor and material is becoming more reasonable, it is preparing to build some large and powerful first-class screw steamers, suitable for the export as well as the

import trade, and adapted to the wants of an increasing immigration.

Thus it appears that the subject of ocean steam navigation is beginning to awaken a new interest among us. This interest however is as yet too circumscribed in the community; our capitalists and business men are not fully alive to the bearing which an extended steamship commerce will have upon our general prosperity, nor do they realize the profitable character of this commerce when properly conducted. If it were otherwise, there would be much less difficulty in getting the stock taken up in the various steamship projects which are proposed. In part, the slowness which is exhibited to assist in these undertakings, may be attributed to the feeling of discouragement which has come over our people in view of our want of success in the past, and particularly in consequence of the failure of the Collins Company. But surely we are not prepared to admit our incapacity and inferiority upon the ocean, and to confess that what we accomplished so easily and triumphantly in the days of canvas, we must yield to others, now that steam has changed the circumstances and conditions of ocean commerce. If we were unable to explain the causes of our want of success hitherto in steamship navigation, there might perhaps be more excuse for our being dispirited and apathetic; but, as these causes are apparent on even a superficial examination of the history of American steamship lines, there is no reason whatever why our attempts should not be made with all confidence in

their complete success in every respect. For this reason only, the Collins Company is more particularly referred to at this time than might otherwise be desirable; not that there is any satisfaction in dwelling upon its misfortunes, but because the misapprehensions which have so widely prevailed in reference to them, have worked a serious injury to our national trade, and have made us weak on the ocean, where we ought to and might have continued to be strong.

Shall it not be the emphatically expressed conviction of this Convention, that ocean steam navigation under the American flag must henceforth be accepted as of the first national importance, and that its promotion must be the aim of all our enterprising citizens? Shall we not recommend it as entitled to the encouragement and assistance of local Chambers of Commerce and Boards of Trade; and as worthy of the careful consideration of those who, while making judicious investments for themselves, would be glad at the same time to subserve the public good? The time has gone by for this interest to be called simply a commercial or a seaboard question. It is a national question, involving the national honor as well as the national wealth; and as such it cannot but warmly commend itself equally to the West and to the East, which have so nobly vied with each other in zealous regard for and in vigorous and potential effort to maintain whatever is essential to the dignity of the flag and to the honor of the Republic. The old paddle-wheel steamer was available, to a certain extent, for the importation

of merchandise from Great Britain and continental Europe; but for the exportation of our products, it was of no service whatever. Now that ocean steamships have been perfected for the export, no less than for the import trade, the agricultural interest in our country, as much as the commercial, is concerned in them, and it can no longer be a matter of indifference, either to the West or to the East, whether the ocean lines, which under the new order of things will run from our Eastern seaports, and which will simply serve as the continuation of the great railway routes traversing our broad domain, bringing St. Louis, Chicago and Detroit in close communication with Liverpool, Manchester, Havre, Genoa and other transatlantic marts and markets, shall be controlled and managed abroad, with reference solely to foreign ideas and for the benefit of foreign owners. So far from this, we hope in the American steamship lines now going into operation, to see Western and Eastern names side by side, not only in the stock subscriptions, but in the lists of directors and managers, believing, as we do, that such an arrangement will ensure the broadest, most comprehensive, and most truly national administration of the affairs of these companies.

May not this Convention also respectfully memorialize Congress to mature and adopt a policy which shall protect and promote American steamship navigation? As already stated, measures have been passed to encourage a movement on one or two of our routes; but we fear that as yet the importance of this subject

is only in part appreciated at Washington; or we should certainly see more determined and hearty action. A spirit of hesitancy and distrust appears in the legislation which has taken place, and there is a want of energy and will such as we should like to discover. The subsidy for a line to Brazil is dependent upon the course of the Brazilian Government, and will fail unless a corresponding amount be granted by that power. In the matter of the proposed Italian line, our Government has as yet taken no action, nor in reference to the Boston and Liverpool line, which has a company to compete with, enriched and made powerful by the long continued and most liberal patronage of the British Government. It is not likely that the new American steamship lines will need assistance beyond a proper compensation for carrying the mails, for any length of time; nor is it desirable that they should be organized in the expectation of receiving permanent aid; but it seems necessary that in view of all the circumstances of the case, such public aid and encouragement should be offered as will induce our capitalists to enter upon this department of enterprise, and to assist in building up an interest which has too long been permitted to languish. We care not how carefully guarded in all its provisions, such legislative aid may be made; or how strict the requirements may be, in reference to the character of the vessels to be employed, and the method of their management. But it certainly becomes Congress to foster our steamship enterprises until they shall

have had opportunity to develop themselves and to gain a footing similar to that of the foreign companies which now control the trade. We have succeeded far beyond any other nation in our inland and coastwise navigation; and in the ocean steamers which we have built in the past, we have shown a skill in modelling and in constructing, which all our rivals have recognized and admitted. With judicious and timely assistance from the Government, and with prudence on the part of our merchants, we believe ourselves able to re-commence an amicable contest for the carrying trade of the ocean; and notwithstanding the start which by our misfortunes and mistakes others have secured, if we are true to our past achievements, we shall, in due time, see the American steamship where the American sailing packet formerly was in the estimation of the world, and where it was in our own regard — the peer of all competitors, and the worthy representative on every ocean of the national genius and prosperity.

BOSTON BOARD OF TRADE.

REPORT

ON THE

NORTHERN PACIFIC RAILROAD
†

MADE TO THE GOVERNMENT OF THE BOARD,
AND UNANIMOUSLY ADOPTED
NOVEMBER 27, 1865.

BOSTON:
1865.

J. H. EASTBURN'S PRESS.

REPORT.

THE Committee of the Government of the BOSTON BOARD OF TRADE, "appointed to inquire into the plans for the construction of a Railroad from the western shore of Lake Superior to the Pacific Ocean, as contemplated by the Act of Congress approved July 2, 1864, and as submitted to the Board by Col. Rowland, and particularly, to consider the bearing which the completion of this line of railroad will be likely to have upon the manufacturing and commercial prosperity of New England," unanimously concur in submitting the following Report:—

The Railroad now under consideration is the northernmost of the three lines which have been projected to unite the States on the Pacific with the Atlantic coast. Its route is north of the 45th parallel, commencing at a point upon Lake Superior, and passing through Minnesota, Dacotah, Montana, Idaho, and Washington, to a point on Puget Sound, with a branch by the valley of the Columbia river to Portland, in Oregon. To quote the eloquent language of Governor Fuller:—

"Strangely enough, and doubtless un contemplated by the originators of this plan for an union of the two great oceans, this road as projected, follows the wavy outline of the isothermal

temperate zone of the Northern Hemisphere, along which civilization makes the circuit of the globe. This zone contains the zodiac of empires. Along its axis appear the great cities of the world. Along this belt encircling the globe, we discover the chief centres of intelligence and power, and the greatest intensity of energy and progress. Along this axis, hardly varying an hundred leagues, civilization has travelled as by an inevitable instinct, since creation's dawn."

Until within a year or two, the Territories west of Minnesota through which this railroad is to pass, were hardly known among us, even by name, but the recent development of that wonderful country has been so rapid as to fix the attention of the whole community. Minnesota itself, which in 1850 had a population of only 5,354, is estimated in 1865 to contain 350,000 inhabitants. The new Territory of Montana on the eastern slope of the Rocky mountains, at the beginning of the present year was estimated to have a population of 30,000; last year the estimate was only 12,000, and the year before, not half that number. Idaho, hardly two years old, has a population of more than 40,000. The yield of gold in each of these Territories, is already very large; in Idaho, for the year ending June 30, 1864, it was \$2,306,568, an increase of more than two millions of dollars in a year. In the month of July last, one Express Company transported \$500,000 from Idaho to San Francisco. The Territory of Washington, bordering on the Pacific ocean and the Columbia river, is admirably situated for commerce. It is said to have the best harbors on the Pacific coast; its lands are agricultural and mineral; it is well supplied with

timber, which it is already exporting to ports on the American coast and to China, Japan, and the Islands of the Pacific. Its deposits of coal are declared to be inexhaustible. Oregon, also, is rich in mineral wealth; its soil is productive, and its climate temperate; its resources are only awaiting transportation facilities across the continent, to be speedily and greatly multiplied. Already it possesses valuable means of communication with the interior, in its noble rivers. The Columbia, "larger than the Danube, and equal to the Ganges," is navigated by steamers as well as sailing vessels, for a distance of four hundred miles from its mouth. Snake river, the most important tributary of the Columbia, is also navigable by steam a distance of one hundred and fifty miles, thus making five hundred and fifty miles of present navigation. Governor Curry informs us that,

"In the ensuing spring, two hundred miles will be added to the steam navigation of the Columbia, and one hundred and twenty miles to that of Snake river, thus making travel and transportation by steamboat available for a distance of six hundred miles in the interior."

It was for the benefit of these splendid territories, as well as to open an overland route from Asia across our continent, that Congress, in 1864, passed an Act incorporating the NORTHERN PACIFIC RAILROAD, with a capital of One Hundred Millions of Dollars. The great importance, in a national point of view, which the Government attaches to the construction of the railroad thus chartered, is illustrated by the large concessions of the

public lands made to it. Not only is the right of way granted, extending two hundred feet on either side of the railroad, with all necessary ground for stations, shops, etc. ; but, in further aid of the enterprise,

“Every alternate section of public land, not mineral, designated by odd numbers, to the amount of twenty alternate sections a mile on each side of said railroad line, as said company may adopt, through the Territories of the United States, and ten alternate sections of land a mile on each side of said railroad line, whenever it passes through any State.”

This grant of the public domain is equal to about forty-seven millions of acres. Mr. John Wilson, of the Third Auditor's Office, late Land Commissioner of the Illinois Central Railroad, an eminent authority on this subject, in a letter which is appended to this report, says of these lands,

“They are all fit for cultivation, and consequently the local business will support the road ; in fact it is one of the most beautiful sections of country in the world.”

He adds that the grant compares favorably with the celebrated Illinois Central grant, and he thinks it a small estimate to say, that, if properly managed, it will build the entire road, together with a connecting line on the eastward with the Michigan and Canada roads, and an entire fleet of steamers and other vessels for the coasting and East India trade, on the west.

The action of Congress, above referred to, presupposes the practicability of the Northern route for the construction of a railroad. The Select Committee of

the House of Representatives, in their Report upon this subject, show that

“The railroad distance, via St. Paul, to all the Atlantic ports, will be on an average three hundred and fifty-one miles less than by the Central route.”

They claim for the Northern,

“Greater proximity to Asia, the shortest distance between great water lines, greater proximity to Europe, the shortest and most direct route between Asia and Europe.”

The distances from St. Paul and Lake Superior to Seattle, on Puget Sound, are respectively 1,764 and 1,750 miles; and from the same point to Vancouver, on the Columbia, 1,747 and 1,733 miles. From St. Louis, by the Central route, to Benicia, the distance is 2,482 miles. Seattle, on Puget Sound, is as much nearer than San Francisco to Asiatic ports, as are New England ports nearer than the City of New York to Europe.

In the gradients, as in distances, the Northern route to the Pacific would seem to have superior advantages.

“The sum of ascents and descents from St. Paul to Seattle is 21,787 feet, against 29,387 on the Central, 48,791 on the 35th parallel, and 38,350 on the 32nd parallel route. These figures give the best practical index of the effect of the gradients to increase the cost of transportation. Engineers allow one mile for every 52.08 feet of rise or fall, as denoting the additional working expense over a level route; which would add to the Northern route 412 miles, to the Central route 556 miles, to the 35th parallel route 924 miles, and the 32nd parallel route 726 miles. Taking the equated distances,—that is,

taking the lengths of level routes of equal working expense for each route, instead of the lineal distances—we find Seattle, via St. Paul, to Chicago, 2,586 miles, and Benicia, via Rock Island, to Chicago, 3,037 miles. Comparing, in the same manner, the nearest connections of each route with the great lakes, we have, from Puget Sound, via St. Paul, to Lake Superior, 2,162 miles, against 3,037 miles, the distance from Benicia to Chicago, a remarkable disparity between the routes in favor of the Northern route, when it is considered that, at Chicago, the water line thence to Europe is as long as from Lake Superior.”

The Congressional Report, from which we have already quoted, furnishes the following striking facts in reference to the engineering facilities for the construction of the Northern Pacific Railroad:

“The Northern route might be called the route of the Missouri and Columbia rivers. It touches the Missouri at the mouth of the Yellowstone, and near the Great Falls; the Columbia at the head of steamboat navigation. Steamers have actually ascended the Missouri to Fort Benton, a short distance below the Great Falls, and the Columbia and Snake rivers to Priests’ Rapids and the mouth of the Pelouse. These rivers are now used by the War Department as lines of transportation for troops and supplies. Troops will next month be sent in steamers to Fort Benton, and thence be despatched overland to the department of Oregon. The distance from Fort Benton to the mouth of the Pelouse is about 485 miles, and to Priests’ Rapids about 560 miles. No other route presents this extraordinary engineering facility for the construction of an overland railroad; for it can be worked simultaneously in four different divisions, the extremity of each division resting on water lines, and thus the road can move on simultaneously on eight different sections; the longest division being the one from Fort Benton to the Columbia, and the longest distance of road from a single point accessible by water being less than 300 miles. On every other route the distance between water lines will be from 1,500 to 2,000 miles.”

The Northern overland route, according to the foregoing, has already been traversed for military purposes, while a rapidly increasing population is being drawn to its precincts, by the advantages which offer themselves so temptingly to the settler. Governor Curry informs us that,

“From the Pacific coast, there are continuous settlements for seven hundred miles in the interior along the valley of the Columbia, and indeed beyond, for the populous places in Montana Territory are rapidly growing into significance, and connect the line of settlements not only to the base of the Rocky mountains, but through them and down on this side to the forks of the Missouri, where Gallatin City is situated. These centres of population of Eastern Oregon, Idaho, and Montana chiefly comprise farming, trading, and mining interests.”

Your Committee respectfully submit that from the evidence which in brief they now adduce, there can be no question that on the ground both of national expediency and of local necessity, the construction of the Northern Pacific Railroad should proceed without delay; also, that not only are there no natural obstacles of an insuperable nature in the way of its construction, but its comparatively short distance, its easy grades, and its water connections furnish remarkably favorable and valuable advantages, and prove the route to be feasible as well as practicable.

It remains only to consider the interest which New England may be supposed to have in the construction of the Northern Pacific Railroad.

Without entering into the merits of the other overland routes to the Pacific, your Committee suppose it will not be claimed that any one of them offers direct and particular benefit to this part of the country. They may indeed present advantages to our capitalists in the way of investment; but the Northern only can be shown to promise results in which New England has a positive and immediate interest. The Central and the Southern will bring the Pacific States into close connection with New York, Philadelphia, Baltimore, and New Orleans; and the trunk lines from some of these cities are already seeking to identify themselves with the companies proposing western extensions. But none of the commerce, thus to be developed, will flow near or towards New England; it will pass altogether away from the northern lakes and rivers, in the traffic of which we have a large interest; and it will not touch the north-western States, with the prosperity of which our citizens are intimately connected. We may, perhaps, remotely participate in the internal trade which will grow up under the improved state of inland transportation; but in the overland business,—the foreign through traffic—seeking a port on the Atlantic for transmission to Europe, we can expect to have no share whatever. On the other hand, your Committee believe that New England will have a positive and direct interest in the Northern Pacific Railroad, being brought into connection with it by lines now in operation, and being able to offer, by its means, superior facilities for the commerce of the Orient which must

surely, to a greater or less extent, pass over this continental line. Boston and its neighbor cities can hardly afford to let the opportunity escape them, which now presents for their use a railroad to the Pacific essentially their own.

Your Committee cannot properly consider this part of the subject, without making special reference to Canada. Indeed, for all the purposes of these inquiries, New England and the Canadas may be considered as having one and the same interest. So closely allied geographically—so interlocked—are the territories of the United States with the British possessions, that the railways on either side are used for convenience in passing from one place to another in the same nationality. The best route from New Brunswick to Canada, lies through the State of Maine; and the direct course from New England to Michigan, Wisconsin, and the country lying beyond, is through a part of Canada. In like manner, the most available route between Canada and British Columbia, appears to be by the proposed Northern Pacific line, which will run near to the British frontier, but will still be upon the territory of the United States. It is proposed, therefore, simply to enlarge an international railway policy already adopted and approved. The roads on both sides of the national boundaries are now embraced in one system; they receipt for freight, and they book passengers interchangeably; they make joint tariffs; and until the difference in the customs duties, which within two or three years has much increased, and has now become

very considerable, there was hardly anything to remind the traveller where either nationality ended or merged in the other.

The Grand Trunk Railway in particular, depends upon New England for much of its business, and practically deals with Boston and Portland as its termini no less than Montreal and Quebec. So also, Boston and Portland regard the Grand Trunk as identified with their prosperity, and are glad to communicate by its intervention with the great Northwest. It is worthy of inquiry therefore, whether this coöperation in furnishing transportation facilities, which has worked so well on the eastern portion of the continent, may not be extended across the hemisphere, and be made to embrace the possessions of each power in the extremest west. In other words, have not the Northern and Eastern States a common interest with the Canadas, and *vice versa*, in constructing a Pacific Railroad which shall add to the profit of the lines now in existence, and which shall make use of these lines as so many links in the chain of communication from ocean to ocean? Does not the best line from Maine and Massachusetts to the northwest coast, promise to be in connection with Canadian roads already built; and does not the most available line from Canada to its sister colonies on that coast, promise to be in connection with an American line yet to be built? It would almost seem to be a geographical necessity that the Northern Railroad to the Pacific should be international, free for both nations, common to both, and for the benefit of

both. The Grand Trunk Railway has been pushed in a westerly direction as far as is practicable on Canadian territory. At Collingwood, Goderich, Sarnia and Windsor, it meets the waters of the central lakes, and reaches its utmost limits in that direction. It might indeed be extended on the north shore of Lake Superior; but as at Sarnia and Windsor, it now connects with the American lines crossing the peninsula of Michigan and Wisconsin, (in some of which British capital has been largely invested,) it would seem more expedient to ally its interests with these lines still more closely, rather than to encounter the difficulties and assume the expense which would at present be involved in the construction of a railroad line through that northern country. An overland route through British territory has been surveyed, to consist partly of railway and partly of water transit; but this would be fully available for only six months in the year, and would therefore very inadequately meet the demands of the trade which it would be designed to promote. Intelligent men on both sides of the frontier are disposed to believe that one northern railroad to the Pacific will, for many years to come, answer for the commerce of both countries; and as the route surveyed south of the frontier, combines more advantages than any other, so far as known, prominent Canadian gentlemen and such English capitalists as have had the subject brought to their notice, recommend their countrymen to unite with us in the prosecution of the great work. It is thought that English capital and enterprise,

joined to the American land grants, will form a sure and sound basis for the finances of the road ; and it is believed that such arrangements can be made, by legislation and otherwise, as will guarantee an equality of influence in the working of the line when completed. Canada has already been prompt to recognize its interest in the construction of this International Railroad ; it is to be hoped that New England will be no less alive to the advantages which must result to its manufacturing and commercial industry, in connection with this great continental highway.

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Since the passage of the Bill of July 2, 1864, chartering the Northern Pacific Railroad, circumstances, until now, have not been favorable for placing the project prominently before the community. The time has now arrived for definite and determined action, in order that the liberal assistance proffered by the Government in aid of the line, may be made available. Further delay may prove fatal to the enterprise, and at all events will endanger the participation of New England in it. In view therefore of the vast national importance of the Northern Pacific Railroad ; of the trade it will develop all along its busy line ; of the Asiatic commerce it will divert from the protracted and hazardous voyage by the Southern Capes ; and of the immense benefits which must inure to New England from its connection with this mighty traffic, and from the position to which it will be brought in the shortest line between Asia and Europe,—increasing the direct de-

mand for our manufactures, crowding our ports with shipping, and quickening all our population with new powers and impulses—your Committee unanimously recommend that the influence of the Boston Board of Trade be, in every proper way, given in favor of the immediate construction of the Northern Pacific Railroad; and in support of such applications in its behalf as may be made at home and abroad, to enable those who may be called to its management to prosecute the work committed to them in a manner and by a method worthy of the great interest involved.

GEO. C. RICHARDSON,
EDWARD S. TOBEY,
C. O. WHITMORE,
F. W. LINCOLN, JR.,
E. B. BIGELOW,
ALPHEUS HARDY,
HAMILTON A. HILL,
OTIS NORCROSS,
AVERY PLUMER.

BOSTON, NOVEMBER 24, 1865.

APPENDIX.

MR. WILSON'S LETTER.

TREASURY DEPARTMENT,
THIRD AUDITOR'S OFFICE, OCT. 19, 1865. }

Dear Colonel,

You ask my opinion of the value of the charter of the Northern Pacific Railroad Company; and I regret that I am too sick and weak to give you anything more than a skeleton answer, embracing a few of the salient points, and without figures.

It may be well to premise that I spent most of my life in the Land service, having entered the General Land Office of the United States in 1831, and filled every grade of service in that Department until 1855, with a short interval, when I resigned, and leaving it in 1855 as Commissioner or Head of the office. While in that office, I studied and thoroughly understood the whole system—carried out the grants made for internal improvements—specially sustained and carried through the grants for railroad purposes, and planned and arranged the whole Pacific and Central system of surveys. I thus became familiar, from the best sources, with the whole topography of the country, its mineral wealth, agricultural resources, and commercial relations.

With this theoretical knowledge, I was called in 1855, after leaving the General Land Office, to the Commissionership of the Illinois Central Railroad Company. I found the land business in chaos; doubts resting on their titles, still stronger doubts of the value of the grant. Without referring to my services there, I will only say that with all the information I have thus collected, and an experience enjoyed by but very few, I consider the grant for the Northern Pacific worth from fifty to one hundred per cent. more than the Central; for the following reasons, to wit:

The lands along the Northern, are *all* fit for cultivation; and consequently the local business will support the Road. In fact, it is one of the most beautiful sections of country in the world; and you travel comparatively a short distance west from St. Paul, till you feel the influence of the Pacific winds, and strike the isothermal line of Southern Illinois, and where cattle can pasture the whole year.

The mineral wealth along the Northern is almost incalculable. Gold, silver, copper, lead, iron, and coal; and the portions of land containing these minerals, that must fall to the Company, will be of immense value.

Its commercial relations. Besides the local trade which will spring up along the line of this Road, and with which there can be no competition, it will command the fur and other trades of the Hudson's Bay and other Companies, and of all the Northwest, including British and Russian America. From the prevalence of the Trade winds on the Pacific, sailing vessels can enter and depart at any time from Puget's Sound, and hence there is reasonable probability that this Road will monopolize all the Chinese and East India trade, as transportation by sailing vessels is so much cheaper than by steam, and there is no part of the U. S. Pacific coast where sails cannot be used; of course with steam this stands as fair as any other, if not better; and unless I am very much deceived, this Road, if carried on at once, will monopolize all that trade for years, before any other is finished.

I have not the figures, nor would I now be able to work them up if I had; but comparing this with the Illinois Central Railroad grant, I think it a small estimate to say, that if this grant is properly managed, it will build the entire Road, connecting with the present terminus of the Grand Trunk, through to Puget's Sound and head of navigation on the Columbia; fit out an entire fleet for the China, East India and coasting trade, of sailing vessels and steamers; and leave a surplus that will roll up to millions.

I remain, &c.,

JOHN WILSON.

COL. ROWLAND, Washington.

CLIMATE.

The Report of the Select Committee on the Pacific Railroad, laid before Congress and ordered to be printed April 16, 1860, contains the following opinion in reference to the climate of the Northern route :

“The undersigned are satisfied that the objections which have been urged against this route on account of the severity of the climate and the depth of the snow are utterly untenable. Railroads are now in successful operation where the difficulties in both these respects are at least equal to those that will be encountered on this route. Indeed, the climate is much more severe on the Russian and Canada roads. The snow is absolutely less on the northern than on the central route. It is notorious that it is small through the prairie region from Minnesota to the base of the Rocky mountains; and the explorations have furnished significant and reliable information, removing entirely all doubt as to its being a serious difficulty in crossing either of the mountain ranges. In the Flathead country and on the great plain of the Columbia there is less snow than in the prairie region east of the Rocky mountains. Indeed, throughout the entire extent of the route, cattle and stock keep in good condition in winter without fodder. The quantity of stock in the interior of Washington and Oregon and east of the mountains, which thrive and live solely upon the winter grass, is very large. During the past winter the stock of Capt. Mullan, in charge of the Fort Benton and Walla Walla wagon road, has been subsisted on the grass of the Bitter Root valley, and at the last accounts, the middle of January, was doing well. It is not necessary to elaborate this question of climate, as the information given in the reports of the explorers is very full and convincing.”

On the same subject, the late Governor Stevens' testimony is as follows :

“I will now consider the question of the cold. It is alleged that the weather is so cold on the route of the 47th parallel that it will be impracticable to work men in the construction

of the road for a large portion of the year, and that it will be impracticable to run cars for many days in the winter.

"Unfortunately for these opinions, we happen to have observations on these points, and to have great lines of railroad in operation over tracts of country as cold, and even colder, than the route from Fort Benton to the shores of the Pacific. The mean winter temperature at Fort Benton in 1853-54, was $25^{\circ} 38'$ above zero. The average at Montreal, on the Grand Trunk Railroad, for the same year, was $13^{\circ} 22'$, and for a mean of ten years, $17^{\circ} 80'$ above zero. At Quebec it was, in 1853-54, $11^{\circ} 03'$ above zero, and for a mean of ten years, $13^{\circ} 30'$ above zero. On the great Russian railroad from St. Petersburg to Moscow the comparison is very similar. The mean winter temperature for a series of 21 years at Moscow is $15^{\circ} 20'$, and at St. Petersburg for a mean of 25 years, $18^{\circ} 10'$ above zero.

"At Fort Snelling, on the great lines through Minnesota from St. Paul to Pembina, and from St. Paul to Breckinridge, now actually in process of construction, the mean winter temperature of 1853-54 was $11^{\circ} 64'$, and the mean of thirty-five winters, $16^{\circ} 10'$ above zero. Thus, in the winter of 1853-54, an unusually cold winter, Fort Benton was 12° warmer than Montreal, 14° warmer than Quebec, 14° warmer than Fort Snelling, 10° warmer than Moscow, and 7° warmer than St. Petersburg. Looking to the Bitter Root valley, we find its average temperature in the winter of 1853-54 to be $24^{\circ} 90'$, and in 1854-55 $30^{\circ} 30'$ above zero, making it for the two winters, respectively, 10° and 15° warmer than at Moscow, and 7° and 12° warmer than at St. Petersburg. In 1853-54 it was 12° warmer than at Montreal, and 14° warmer than at Quebec. But I will not content myself with giving you the average winter temperatures; let us consider the greatest cold observed. The greatest cold in the winter of 1853-54 was 20° below zero at Cantonment Stevens. At Fort Snelling it was 36° , at Montreal 34° , and at Quebec 29° below zero, from which you will see that on this route the greatest cold is not equal to the greatest cold on the route of the Grand Trunk Railroad of Canada. The same fact is unquestionably true of the great artery of Russia from Moscow to St. Petersburg, but I have not been able to obtain the daily observations for purposes of comparison. We will look at it in another point

of view. Take the number of cold days when the average temperature was below zero. The average temperature was below zero twelve days at Fort Benton, ten days at Cantonment Stevens, eighteen days at Fort Snelling, eighteen days at Montreal, and twenty-three days at Quebec. Thus you will see that there were more cold days on the line of the Grand Trunk Railroad, and on the roads in Minnesota, than on this Northern route. Having compared the average winter temperatures, and the number of cold days, let us look at the climate in another point of view. Take the number of warm days when the average temperature was above the freezing point, and I find that at Fort Benton the thermometer was forty-three out of ninety days, and at Cantonment Stevens thirty-two out of ninety days above the freezing point, against only six days out of ninety at Fort Snelling, five days out of ninety at Quebec, eight days out of ninety at Montreal, and eighteen days out of ninety at Albany—all in the winter of 1853-54."

In reference to cultivation, Governor Stevens continues:

"In my judgment, the time will come when there will be agricultural settlements throughout the whole extent of this country, from the Mississippi to the shores of the Pacific, simply excepting limited extents of country along the higher part of the mountain chains, and in some of the prairie regions, to be referred to more particularly hereafter. As illustrative of the capacity of this country, I beg to refer to a few facts. The Indians of Washington Territory and Oregon, east of the Cascade mountains, are rich in horses and cattle, the former of which have been introduced within a hundred, and the latter within thirty years. Their wealth, perhaps, is not equalled by any civilized community on this continent. Indians among those tribes own from one to four thousand head of horses and cattle each. The Spokanes and Flathead nation have many horses and cattle, which range the winter long without fodder, and, as I know from personal observation, they do not shrink away but very little in flesh. Never have I seen fatter beef than the Indian cattle, in the Walla Walla, in January. At Fort Benton and Fort Union, where there are large numbers of horses and cattle, they retain their flesh all winter without fodder."

MULLAN'S MILITARY WAGON ROAD.

A Military Road was constructed during the years 1858 to 1862, under the superintendence of Capt. Mullan, U. S. A., from Fort Walla Walla on the Columbia, to Fort Benton on the Missouri, a distance of six hundred and twenty-four miles. The general description of the route given in the Report submitted to Congress February 19, 1863, is interesting as showing the nature of the country to be traversed by the Northern Pacific Railroad :

“Our road involved one hundred and twenty miles of difficult timber-cutting, twenty-five feet broad; and thirty measured miles of excavation, fifteen to twenty feet wide. The remainder was either through an open, timbered country, or over open rolling prairie. From Walla Walla eastward, the country might be described in succinct terms as follows; First, one hundred and eighty miles, open, level, or rolling prairie; next, one hundred and twenty miles, densely timbered mountain bottoms; next, two hundred and twenty-four miles, open, timbered plateaus, with long stretches of prairie; and next, one hundred miles, level or rolling prairie. Thus it is seen that the Rocky and Bitter Root mountains rise midway in our route, with long prairie slopes on either side; that the latter are intersected in every direction by streams flowing from both water-sheds, and rising in the heart of the mountain system; that these prairie stretches interpose but slight obstructions to the location of a road, and it is only in the more elevated central sections where our sterner engineering problems are to be met.”

Capt. Mullan says that “one of the principal objects looked forward to in the completion of our road, was the collecting of such railroad statistics and data as would definitely determine the location of a railroad line that starting from St. Paul, would reach the Pacific *via* the valley of the Columbia.”

The Report contains much valuable information, and strongly illustrates the practicability of the Northern Pacific route.

BOSTON AND LIVERPOOL.

REPORTS

OF THE

AMERICAN STEAMSHIP COMPANY
†

FOR

1864 AND 1865,

WITH

LIST OF OFFICERS, &c.

BOSTON:

1866.

J. H. EASTBURN'S PRESS.

OFFICERS
OF THE
AMERICAN STEAMSHIP COMPANY,

ELECTED JANUARY 11, 1865,
AND
RE-ELECTED JANUARY 10, 1866.

President,
EDWARD S. TOBEY.

Treasurer,
JOSEPH W. BALCH.

Clerk,
HAMILTON A. HILL.

Directors,

BENJAMIN E. BATES,	WILLIAM PERKINS,
JAMES M. BEEBE,	AVERY PLUMER,
CHESTER W. CHAPIN,	GEORGE C. RICHARDSON,
NATHANIEL G. CHAPIN,	SOLOMON R. SPAULDING,
JAMES C. CONVERSE,	GEORGE STARK,
OSBORN HOWES,	ISAAC SWEETSER,
HENRY P. KIDDER,	EDWARD S. TOBEY,
JAMES L. LITTLE,	SAMUEL D. WARREN.

Agents in Boston,
HOWES & CROWELL.

Agents in Liverpool,

REPORT,

SUBMITTED JANUARY 11, 1865.

THE Directors of the American Steamship Company beg to submit to the Stockholders the following Report of their action since the organization of the Company, in July last.

On the appointment of the Directors, authority was given to them by special vote to charter two or more steamships for the Company, whenever in their judgment its interests should require; also, to enter into contract for the construction or purchase of one or two steamships, whenever the stock subscriptions should be adequate to the cost of at least two vessels adapted to the Liverpool service.

In furtherance of the views of the Stockholders, thus expressed, a Committee was at once chosen to consider the questions of charter, purchase and construction, and this Committee has held frequent meetings for consultation and investigation. It was at first hoped that steamers might be chartered upon reasonable terms, to occupy the route and to develop the trade, during the interval that would elapse before the Company could construct ships of its own. The Directors were disposed to make any negotiations to this end, which should promise even nothing more than to save the Company from loss on the charters; believing the early develop-

ment of the enterprise to be more important than any question of immediate profit. But no vessels could be found in the United States which it would answer the purposes of the Company to employ; and the rates named by parties in England, with whom correspondence was opened, were so high that the Directors did not feel warranted in binding the Company by an arrangement which, except under extraordinary circumstances, (and such as have not subsequently presented themselves,) could evidently result not otherwise than in loss.

The subject of construction has also received the careful attention of the said Committee. On inquiry, it was found that the shipbuilders and machinists were crowded with work, and that the requirements of the Government (the importance of which was paramount,) rendered it impossible for the Company to enter into contract with any degree of certainty as to time, and with any proper limits as to cost. The advance which, in consequence of this pressing demand for the public service, and from other causes, had taken place in the price of labor and of materials, seemed to render the time inopportune for building, and especially as the Directors have been inclined to believe that some of these causes were likely, before long, to be materially modified, giving opportunity to make contracts upon more favorable terms.

The only remaining alternative has been to purchase. By the laws of the United States, the Company cannot buy ships of foreign construction, and obtain

registers for them under the American flag ; not to mention the very high prices at which steam tonnage has been held in Europe. In the purchase of vessels, to be employed under any other than our own flag, the Committee saw embarrassments which could not easily be overcome. On this side of the Atlantic, they have not yet found steamships which in all respects appeared suitable for the trade. Only two are known to the Directors which are even measurably adapted to the wants of the Company ; these are the fine vessels belonging to the Union Steamship Company, which it was intimated might perhaps be obtained if desired. A Subcommittee examined these vessels, one of them in New York, and the other in our own harbor, and the question of their fitness was very carefully considered and reconsidered. The final decision, reached within a few days past, was that it would not be expedient to commence the line with steamers not specially suited in all respects to its necessities, and the earnings of which do not promise to be reasonably proportionate to what their cost and the probable outlays upon them would amount to.

The Directors appreciate the importance of placing vessels upon the route between Boston and Liverpool at the earliest practicable date ; but they also believe that the ultimate and permanent success of this great enterprise depends largely upon making a right beginning, and more particularly in employing such and only such vessels as in point of strength, capacity, and consumption of fuel, may be relied upon for safety and for profit ;

and in order to compete successfully with some of the best designed steamers afloat, the confidence of the mercantile community and of the travelling public must be secured, and also the favorable opinion of capitalists, and of others having money to invest. To this end every precaution must be taken against disaster, and every possible guarantee must be had against failure. That the service proposed by the American Steamship Company is one of more than ordinary promise, is certainly not less apparent to-day than when the subject was first presented for the consideration of this community, and the Directors anticipate that the time may be near, when, as already intimated, the Company will be justified in constructing the steamers which are needed. They are glad in the meantime, to notice that improvements of very great importance to the commerce of Boston, and consequently to the prosperity of this Company, are going forward in our railroad communications with the West, which, when completed, will not only more than ever before, make this line a public necessity, but also give additional assurances of its success.

The subscriptions to the capital stock of the Company at the time of its organization amounted to about eight hundred thousand dollars. It was then intended to increase this amount without delay, and efforts were commenced with that object in view; but during the summer months the uncertainty and depression which existed in the community in reference to public affairs, made it impossible to accomplish what was desired.

The absorbing interest of the presidential election seemed to render the autumn an unfavorable time for the presentation of the claims of the enterprise, and it was not thought expedient to press them. The stock list has not therefore been materially increased, but the Directors recommend that an appeal be made to the public spirited citizens of Boston to bring up the amount of the capital stock to at least one million and a half of dollars, so that the Company may go forward in the construction of its vessels, as soon and as rapidly as circumstances shall favor, without embarrassment for want of means. The Committee of the Board of Trade, who first prepared the way for the formation of this Company, and the Directors who more recently have had charge of the enterprise, have acted in obedience to the wishes of the business men of the city most emphatically expressed, and in response to a call which was too urgent not to be regarded. But they have acted as the representatives of the merchants of Boston, and of all others interested in the welfare of the city; and not for themselves alone. They rely therefore upon the hearty support and co-operation of the Stockholders and of the citizens generally, believing that with what has already been accomplished, another united and vigorous effort will secure at no distant day what all are desirous to witness,—a regular line of first-class steamships, plying between Boston and Liverpool, under the American flag.

REPORT,

SUBMITTED JANUARY 10, 1866.

At the last Annual Meeting of the American Steamship Company, the Directors explained at length the circumstances which up to that time had prevented the construction of steam vessels for the proposed service between Boston and Liverpool. To-day they are glad to be able to report that contracts have been entered into with parties of high reputation, for the first and second ships of the new line, to be ready for sea during the present year.

As soon as the state of public affairs in our country became sufficiently settled to warrant definite action, the Directors, under authority vested in them by the special vote of the Stockholders, confided to a building committee the duty of deciding upon models, preparing specifications for the hull and the engines, inviting proposals, and making all preparatory arrangements for building. All this was a work of time, involving much careful thought and study, requiring the consideration of many details, and taxing the best experience of this and other cities. The cost of two steamers having thus been ascertained, the subscription list, which previously stood at somewhat less than eight hundred thousand dollars, was increased by a vigorous effort on the part

of the officers and agents of the Company to an amount equal to the estimated cost of construction and equipment, upwards of nine hundred thousand dollars. As soon as this was accomplished, a contract was concluded for the hulls with Mr. Geo. W. Jackman, Jr., of Newburyport, and as soon after as practicable, for the engines with Mr. Harrison Loring, of South Boston. In each instance proposals had been solicited from a large number of well-known mechanics in Boston and elsewhere, and the lowest bid was accepted by the building committee, and was considered by them to be entirely satisfactory. The dimensions of the vessels will be as follows: length from inner sternpost to stem 325 feet; breadth 43 feet; depth of hold 29 feet; the register tonnage will be about 3000 tons. The vessels are to have three decks, with suitable accommodations for first, second, and third-class passengers, and with large capacity for freight. They are designed after the most approved model and are expected to make as good speed, to say the least, as any similar vessels in competing lines. They are to be built of the very best materials, and in the most careful manner; strength and durability being aimed at as of first and paramount importance over everything else. Each ship is to have a pair of vertical, inverted, direct action screw engines, of seventy-four inches diameter of cylinder, and four feet stroke of piston. In this department, as in the other, no pains has been spared to secure the best results; the details fill a closely printed pamphlet of forty-four pages.

Notwithstanding the amount of labor which has been expended in the establishment of this line, the Directors feel that the work has been only just begun. It has always been a part of the plan to place four such vessels as have been referred to, in the service of the American Steamship Company. In view of the magnitude of the undertaking, however, it was judged best to secure in the first place the requisite sum for two of the steamers; and then while these were building, to proceed to the enlargement of the stock subscriptions for the construction of two more. The present seems a most favorable opportunity for the prompt and complete execution of the original proposal. The commerce of our port is increasing; and what is to be especially noted, our merchants have become fully impressed with the importance and with the profitableness of ocean steam navigation. A year ago there was no regular steam communication between Boston and any port south of Philadelphia; now, there are flourishing steam lines either in successful operation or in partial development, to every Southern port except perhaps Charleston. The effect of these lines is already apparent in our streets and on our wharves; and aside from the direct profit which has accrued from them in net earnings, they are probably amongst the best invested property for the City of Boston and for the State of Massachusetts, in which our citizens were ever concerned. For the service which these coastwise steamers are performing for us, by connecting us with other ports, our railways must be depended upon for uniting

us with the interior. The completion of the bridge at Albany, the extension of all our roads to deep water, and the erection of suitable elevators and storehouses, all of which is in contemplation; together with a thorough, comprehensive and systematic management of railroad transportation between our seaboard and the West, will add immensely to the prosperity which steam upon the water has brought to us. The new steamship line for the Liverpool trade is exactly what was needed to complete the circle of our shipping facilities; its interests will be assisted by the coastwise lines, and they in turn will derive benefit from it. It will also depend largely for its success upon the various railways centring in Boston; while they will find its co-operation in diverting Western traffic of the greatest value. There was never so strong a desire as at the present time, on the part of Western merchants, to send a portion of their business to this city; they wish to divide their exports between Boston and New York, believing not only that there can hardly be too many trunk lines between the West and the East, but also, that on the seaboard more than one outlet is necessary for the prompt and economical transshipment of produce on its way to the markets of the old world. For this reason, in part, enterprising men at the West are exceedingly anxious for the growth of American steam commerce at all our ports; and many of them have given assurances that a suitable line between Boston and Liverpool shall receive a large support from their great central depots of supply. But all this

involves regularity and frequency of departures and arrivals; a full line; and the guarantee of additional vessels as fast as required. For the accommodation of Western business, as well as of our importing trade, and for the most certain pecuniary success of the Company, the departure from either end of the route should not be less frequent than once a fortnight. This will make four ships necessary; although three, perhaps, may answer temporarily. The Directors hope that such action will be taken at this meeting as will insure to them the amount needed to place a third steamship under contract, to be ready for service early in the spring of 1867.

When this Company was organized, there was no American steamship of any kind, in the transatlantic trade. Within a few months, two passenger steamers, the *Fulton* and the *Arago*, have returned to the route between New York and Havre, which they covered before the war; and, by the enterprise of the Baltimore and Ohio Railroad, a line of freight steamers has been put on between Baltimore and Liverpool. At Philadelphia, the aid, by a very large subscription of the Pennsylvania Central Railroad, has recently been given towards the formation of a similar line; what the result will be has not yet been demonstrated. While therefore we were among the first in earnest and patriotic endeavors to establish on a new and sure basis, ocean steam navigation under the American flag, our charter bearing date nearly three years ago; we regret that in consequence of circumstances not under the control of

this Company, we shall not have been the first in the accomplishment of this great national undertaking. We may believe, however, that such experience as we have already gained in maritime enterprise, and such energy and persistency as we propose to bring to the fulfilment of our present project, will give to the American Steamship Company a position, on both sides of the Atlantic, worthy of the past reputation no less than of the present character of the merchants of Boston.

NOTE.

In accordance with the suggestions made by the Directors in the foregoing Report, the Stockholders unanimously adopted the following Resolutions, which were introduced and supported by the Hon. AMOS A. LAWRENCE.

Resolved, That in order to attain the most satisfactory pecuniary results for the enterprise of a new steamship line between Boston and Liverpool, and for the purpose of promoting most efficiently the commercial interests of Massachusetts, it is necessary that at least three vessels be placed upon the route by the American Steamship Company.

Resolved, That the Directors are hereby requested to take such steps as they may judge best calculated to secure early subscriptions for the construction of a third steamer, and that they are authorized to enter into contract for the same whenever the requisite amount shall have been subscribed.

A

REVIEW

OF THE

PROCEEDINGS

OF THE

DETROIT CONVENTION.

†

BY

HAMILTON A. HILL,

ONE OF THE DELEGATES FROM THE BOSTON BOARD OF TRADE.

BOSTON:

1866.

J. H. EASTBURN'S PRESS.

THE
DETROIT COMMERCIAL CONVENTION.

THE recent publication, by the Board of Trade of Detroit, of the proceedings of the Commercial Convention held in that city during the month of July last, has suggested considerations in reference to the Convention, and has recalled statements there put forth, which have been presented in part through the Boston press, and which, in view of the discussions now pending on the subjects, especially of Transportation and Reciprocity, it has been thought desirable to publish in the present form.

7 The Harbor and River Convention in Chicago in the summer of 1848, and the Canal Convention in the same city in 1863, had for their object the promotion of certain internal improvements deemed important by the Northwest, and were intended to influence the action of Congress in reference to them. They were political rather than commercial meetings; and politicians bore a prominent part in them. The recent Convention at Detroit, on the other hand, was composed almost exclusively of merchants; and the political men, few in number, who, within or outside the organization, sought to control its movements, received little encouragement for their pains. This was therefore the first occasion when the business men of the United States have come

together to consult upon those practical questions underlying the national prosperity, with which they may be supposed to be essentially qualified to deal; and although in our judgment, it has not received at the East the attention it has merited, yet in the West, where its deliberations were watched with the deepest interest, it is regarded as a success, and from its recommendations and influence much is anticipated in the future.

We do not claim that all was accomplished which might have been anticipated from such a Convention, or that no mistakes were made during its sessions; but the general harmony which prevailed, notwithstanding certain manifestations of local jealousy at the outset; the good degree of unanimity with which final results were reached; and the soundness and fitness of these results, demonstrate that the meeting, for a first experiment, was eminently satisfactory, and clearly prove the ability of men actively engaged in commercial pursuits to consider carefully and to determine wisely, the interests of trade, the principles of finance, and the transportation of merchandise by land and by water.

The DETROIT CONVENTION consisted of delegates from twenty-eight Boards of Trade, Chambers of Commerce and other mercantile associations in the United States; and fifteen in British North America. The number of members was about five hundred. The Canadian gentlemen declined to take part in the preliminary proceedings, or to vote upon any of the questions which came up for discussion; explaining that they had a direct

interest in only one or two of these questions and that in reference to them they would rather give information than endeavor to carry a vote. The Hon. HIRAM WALBRIDGE of New York was chosen President, with a Vice-President from each State and Colony represented, and three Secretaries.

In a body so constituted, it would perhaps have been neither practicable nor profitable to enter into a close examination of financial principles, or to discuss the details of financial policy. It was enough to give assent in general terms to the system adopted by the Government, and to place upon record unqualified assurance that the national faith shall be maintained under all circumstances.

The Committee on Finance, through its Chairman, the Hon. Mr. TREMAINE of Albany, presented a Report which was unanimously adopted, and which we quote in full.

“The attention of the Committee has been directed to the subject of the national debt existing against the Government and people of the United States, and to the Internal Revenue Law, which has been established to defray in part the expenses of the Government. While the Committee could not ignore the existence of imperfections in the laws, yet they regarded them as the necessary incidents of a system of legislation, novel in the history of the country, and adopted by Congress for a temporary period, under the pressure of a great emergency. Feeling confident that all the errors and irregularities which experience has disclosed, would be remedied at no distant day, by future legislation, the Committee did not regard the present as a proper occasion to censure them, specifically or in detail.

The Committee, however, were unanimously of the opinion that the present was a fitting occasion for the great commercial classes of the country represented in the Convention to express their judgment concerning the sacred character of the debt thus existing. This debt was the necessary result of the war, forced upon the people by a gigantic and wicked rebellion. At a time when the capitalists of the old world were unwilling to purchase our national securities, our citizens themselves, including our bankers, merchants, business men, farmers and mechanics rallied to the rescue of the Government, and loaned it whatever money it required, voluntarily and cheerfully assuming the risks and hazards of advancing money to a Government that might be overthrown in the impending conflict. Every consideration of honor, duty and good faith, demands that every dollar of this debt, principal and interest, should be faithfully paid. He knows but little of the American people who doubts that the statesman or party who breathes the word Repudiation will be indignantly repudiated and condemned by the people of the country. The Committee recommend the adoption of the following Preamble and Resolutions :

“Whereas, The war for the preservation of the national existence has resulted in the creation of a large national debt against the Government and people of the United States, and *whereas* experience has developed many imperfections and inequalities of Internal Revenue taxation, established by Congress ; and *whereas*, this Convention entertain the confident belief that such defects will be amended in any new legislation, which it is believed may be found necessary ; and *whereas*, said debt is the price which the nation has been compelled to pay for the protection of its integrity its honor and its life,

“Therefore, This Convention, in behalf of the commercial classes represented by it, do resolve ;

“First, That it be respectfully recommended to the Government, that in any future readjustment of our Tariff and Internal Revenue laws, the burdens of taxation, direct and indirect, may be made to fall so far as possible on the vices and luxuries of the people, thus relieving the laboring and industrial classes.

“Second, That regarding such national debt as a pecuniary obligation, most sacred in its character, this Convention declares its conviction that all sacrifices will be cheerfully made that may be necessary to maintain the national credit unimpaired, at all times and under all circumstances, and that every dollar of such debt, principal and interest, can and will be discharged, without retarding in the slightest degree, the onward progress of the nation in its career of prosperity, greatness and glory.”

It will not be inappropriate in this connection, to quote a paragraph from the speech of MR. BROADHEAD of St. Louis, upon reciprocal trade with Canada, as illustrating the views of enlightened men at the West upon the financial problem which this country finds itself called on to solve.

“But, Sir, it has been well said that we look to the Internal Revenue system of taxation for the means of paying off our national debt; the wealth and resources of the country are to be taxed for that purpose. The \$3,000,000,000 of national debt which now hangs over us, represents so much taken from the capital of the country, and we want to find the best market and the cheapest transportation for all our productions, in order that we may restore that lost wealth. This is the true system of political economy for us to adopt. And we who live west of the Mississippi, the commercial men and the agriculturalists of Missouri and Iowa, of Kansas and Nebraska, want the gates of commerce thrown wide open, that we may get the benefit of the markets of the world.”

TRANSPORTATION was the subject, which, perhaps, of all others was the most fully and earnestly discussed. To a manufacturing community, facilities for the movement of property are of no little importance; but to an agricultural people, living far from the seaboard,

they are essential and vital. The West understands more clearly than the East, the demands of the country in its length and breadth for easy and ample means of inter-communication ; it is not strange, therefore, that the Convention, assembled as it was in a prosperous Western city, and following a programme arranged beforehand, very properly, by Western men mainly, should give great prominence to these interests. We propose to refer to them in connection with the discussions upon the projected Ship Canal around the Falls of Niagara, the improvement of the New York canals, the navigation of the St. Lawrence River, Time Contracts for the delivery of freight, and Ocean Steam Navigation.

Before taking up these topics in their order, it should be observed that the Western delegates started in the Convention with the postulate that the West requires and must have every available avenue and outlet to the sea. This appeared in the mottoes which decorated the hall ; this was the key-note of the opening address of welcome ; this was the premise from which nearly all the conclusions reached by the Convention were deduced. Perhaps we in Massachusetts might learn a profitable lesson from our western friends, in this connection. We have been disposed to be satisfied with one connecting line to the Hudson River, and some among us have wondered that a second or a third should be projected ; they, on the other hand, know that there can hardly be too many lines traversing the country from east to west. They believe they

can employ all the trunk lines now in operation, as well as those which are likely soon to be built; that they can choke the Erie Canal, even when it shall be enlarged, with the steady tide of golden grain seeking transit to the ocean; and that then they will still require the St. Lawrence River. With such statistics as they can furnish, no wonder they are disposed to speak somewhat contemptuously of "two or three railroads and a small canal," when, as they say, a single freshet may cause more inconvenience and loss almost than all these railways and canals are worth. It was stated on competent authority that "the break in the lines of transit through New York in the spring of 1865, for the period of three weeks, occasioned a greater loss by far to the holders of Western produce seeking the market, than the Niagara Canal would cost, even though it should reach \$25,000,000 of money." No wonder these energetic men feel solicitous about the future, when now the products of one-twentieth part of their broad and generous acres prove far beyond the capacity of existing transportation lines to carry with reasonable despatch. In 1850 the Lake States produced forty millions of bushels of wheat; in 1860, eighty-eight millions. In 1850 their production of corn was one hundred and eighty-five millions of bushels; in 1860, three hundred and nineteen millions. At the same rate of increase the next ten years will bring them to the production of nearly two hundred millions of bushels of wheat, and six hundred millions of bushels of corn. It is evident to every careful observer that

the facilities for reaching the Eastern and the European markets are not increasing in any appreciable proportion to the increase of the Western crops. It will appear also as we proceed, that the reduction of cost, no less than the multiplication of the means of transit, is indispensable to the prosperity of the West, and consequently to that of the entire nation.

NIAGARA SHIP CANAL.

We believe New England has from the first favored the construction of the Niagara Ship Canal, as it is called. The great cataract breaks the connection in the series of lakes and rivers which for the most part bound our nationality on the north. The St. Lawrence River and Lake Ontario are cut off by it from Lakes Erie, St. Clair, Huron, Michigan and Superior. Before the days of CLINTON and of the Erie Canal, as the Hon. Mr. LITTLEJOHN of Oswego, told the Convention, the commerce between the East and the West, which found its way up the Hudson and the Mohawk, down the Oswego River to Ontario, and thence in batteaux up the Lake to Niagara; was conveyed on the back of the poor Indian over the portage round the Falls, until the vessels on Lake Erie took it from his shoulders. In 1824, we believe, the Welland Canal, (twenty-eight miles in length,) was opened, nearly parallel with the Niagara River on its western side; and the waters of Ontario and Erie then became united. This Canal, although belonging to Canada, has been and is used by

American shipping, under treaty regulations, and its revenues have been very largely derived from our commerce. Two reasons, however, have been urged in favor of a canal on the eastern side of this famous river, or in other words, within the territory of the United States. It has been judged hazardous to our commerce upon the western lakes and to all our interests on that part of our frontier, to be dependent on a foreign power for the means of transit between the waters above and below the Falls. In the event of hostilities with that power, our shipping would not only at once lose the use of the Canal, but it would be exposed to attack from vessels of war readily transferable from one lake to another, while our own gunboats would be confined in their movements to the one or the other of these lakes. But the more serious objection practically to the Welland Canal, is that its depth of water is insufficient for the present commerce of the lakes, and will, unless increased, very soon seriously embarrass the growth of that commerce. Its capacity is for vessels one hundred and sixty-two feet long, twenty-five feet beam, drawing nine feet of water; maximum burden, four hundred tons. A canal is required which will accommodate vessels of one thousand or fifteen hundred tons, and which will relieve, as the Welland does not, the Erie Canal and the various Railroads through the State of New York, now overcrowded with freight. It was well argued at Detroit, that if nature had not interposed a barrier at Niagara,

an artificial mode of transit by way of Buffalo would never have been constructed ; but vessels laden with the products of the West, would have proceeded without breaking bulk to Oswego, Sacket's Harbor, Ogdensburg, and Montreal. By the proposed canal, the tolls now imposed by the State of New York will either be greatly reduced or be altogether avoided ; and the increased size of the vessels employed in the trade will allow a reduction of the rate of transportation equal to two or three cents a bushel. A saving of five cents a bushel in the aggregate in transportation would give a powerful impulse to the industry of the West. The oppressive character of the Erie Canal monopoly, and the effect of the present high cost of transportation, were frequently alluded to. In calling the Convention to order, Mr. ASPINALL, the President of the Board of Trade of Detroit, said :—

“The West has long felt the exorbitant transfer charges and tax levied by the State of New York upon its products passing through the Erie Canal, which are assessed regardless of the demand or value of the property at the place of destination, which, together, oftentimes exceed the canal and Hudson River freight to New York, or lake transportation of one thousand miles, sometimes equalling the latter and the ocean freight from New York to Europe together ; or even what the Western farmer realizes upon coarse grains at the place of production. The Buffalo combination of elevating and warehouse charges on Western produce passing through Buffalo, has no parallel in commercial transportation, realizing to its founders, every one or two years, dividends and rents equal to the value of the elevating property.”

The Hon. Mr. Joy of the same city, spoke to the same effect:—

“With the millions of the West, the avenue to market is a vital question—when close upon the Mississippi, corn is burnt for fuel, because the expense of sending it to market is more than it is worth—when from Illinois, on an average, it costs the farmer three bushels to get the fourth to market in New York, and much more to lay it down in Liverpool—when from all the lake States it costs half of all the flour and wheat to the farmer to get the rest into the markets of the world—it has become high time for the Government to look a little to the protection of his interests.”

Mr. LITTLEJOHN gave the following sketch of the legislation upon this project in his own State:—

“At the last session of the New York Legislature, a vote of nearly three to one was given in the Assembly for providing for constructing the Canal, and the bill was sent up to the Senate, a majority of the members of which were known to be in favor of its adoption. But as soon as it had passed the lower House, the toll-gate of the State sent a deputation eastward, which induced the Canal Board to pass resolutions adverse to the Ship Canal, which resolutions were sent to the Senate, and were instrumental in defeating the bill for that session.”

In Congress the result thus far has not been more successful. A bill passed the House of Representatives last winter, but was not reached in the Senate, providing that the President should take means to purchase the right of way along the proposed route, and then give to any company that might be formed the right to construct and use the Canal.

In referring to the arguments of cost, and of the probable diversion of trade to the St. Lawrence River

and the Gulf, we cannot do better than to quote from the speeches of the able advocates of the American Canal. Replying to the averment that the expense of conducting this public work should not be undertaken while the national debt continues what it is, and that this should first be paid off, Mr. Joy inquired:

“In the meantime, is the world to come to a standstill? Is the West to stop in its progress? Are we to be paralyzed for half a century? Suppose the Canal costs \$5,000,000 or \$10,000,000 or \$25,000,000? What is it? It is but as dust upon the balance, compared with the importance of increased facilities to market, for the great West, and for the East also. It is not worthy of a moment’s thought.”

And again:—

“As to the financial expediency, it may be said that the additional revenue which may be derived simply from the increased productiveness of the West, which will be caused by it, will enable the Government to redeem the bonds, if this may be necessary to secure its construction. In a case like this, in an emergency like this—for it is an emergency of no ordinary kind—it is not possible to suffer a delay of even ten, much less of twenty years or half a century, until the public debt is removed and its burdens made easy. All the expense sinks into insignificance in comparison with the necessities of the case; and since there is no possible way in which Government can protect our railroad interests by tariffs or otherwise—since the farmer sends his productions on to the great markets to compete with the productions of all the world—it is but little the great West asks when it asks that the barriers which obstruct the avenues to those markets shall at least be made passable for the ships to be freighted with the fruits of her labor and her fertile soil, on their way to the markets of the world.”

Mr. LITTLEJOHN thus answered the objection to the Niagara Canal, that the trade of the West would go away from New York down the St. Lawrence :—

“He could assure them that if New York could not hold and control the trade by a short cut of one hundred and thirty miles from Lake Ontario to the Hudson River, she could never hope to hold it by the long route of three hundred and forty-five miles from Buffalo to Albany. He did not care from what part of New York his hearers might have come, he would state to them that, knowing as they did that their facilities were not sufficient to take to the market the products of the West—that the closing of the war had rendered it necessary to make new arrangements for business—that thousands of emigrants from the old world were coming over to people the prairies of the West—that not one acre in twenty of their vast Western domain had yet been brought under cultivation; in view of this, he asked this Convention, and he particularly asked his friends from New York, what they were going to do if they did not resolve that a new outlet, a new avenue, should be opened up, and that speedily. He was asked what New York was going to do when the Ship Canal was built. He would say that New York could take care of herself, and would get the bulk of the trade that came within her reach.”

The discussion on this subject was confined for the most part to the delegates from the State of New York; the Lake interest and the Canal interest found themselves opposed to each other at almost every stage of the proceedings, but at no time more decidedly than during this debate. The action of the Convention was embodied in the following resolution, carried by 123 to 32, Albany, Troy, Buffalo, Erie and Cincinnati voting in the negative :—

“Resolved, That this Convention regards the construction of a Ship Canal around the Falls of Niagara as a national work of great commercial importance, alike demanded by the necessities of commerce and political wisdom, and that its early completion by the General Government is required by every consideration of sound political economy.”

THE ENLARGEMENT OF THE ERIE CANAL.

The forwarders of the State of New York, as we have already seen, received some very plain admonitions from their Western friends. The value of their public works has been chiefly promoted by the traffic of the West, and yet they have been slow to increase the capacity of these works to the requirements of the commerce which has made them rich. Mr. PROSSER of Buffalo, in a minority report which he afterwards withdrew, admitted that in 1860, 1861 and 1862, when the shipments eastward from Buffalo and Oswego reached nearly three millions of tons, there was much difficulty and delay in the transit through the State of New York, and that in consequence of an inadequate capacity on the part of the Canals, the rates of freight upon them were “onerous.” The remedy proposed by the Buffalo and Albany delegates to meet this state of things, was that the General Government should assume the expense of enlarging these Canals. But much as this enlargement was desired, neither New England nor the West, as represented at Detroit, was prepared to recommend Congress to assist the great State of New York in making improvements which she is abundantly able herself to make without assistance

from beyond her own limits; and which, judging from the past, will well reward her for her enterprise and outlay. It was urged that her own interest, if not her duty to the West, imperatively demands more ample means of transit across her domain, and that in the event of her neglect, she herself would be the greatest loser.

Mr. LITTLEJOHN, himself a delegate from the Empire State, spoke as follows on this subject:—

“If the State did not provide for taking the products of the West from Lake Ontario to the Hudson River, private enterprise would very speedily do it. The nearest point on Lake Ontario to the Hudson River is Sackett’s Harbor, and next Oswego. From one or the other of these points, private enterprise would soon construct a double track railway to Troy or Albany. A propeller of 1500 tons could leave Chicago and [with a ship canal] reach the lower end of Lake Ontario in six days. A train could be loaded up by an elevator from the vessel, and despatched every two hours, which would take from two hundred to two hundred and fifty thousand bushels to the Hudson in every twenty-four hours. The cost of transferring the grain from the vessel to the cars would be but a quarter of a cent a bushel, and the law of gravitation would carry it into the barge at Troy or Albany, and another day would put it on board the ship for Liverpool. Boston would be a gainer by a cheaper transit to the Hudson River; the railway from Troy to Boston would get all the business it could possibly transact, while the Ogdensburg and Boston road would get its share from Lake Ontario direct.”

The resolution on this subject, which was ultimately adopted, respectfully requested the Governor of the State of New York “to recommend in his next annual

message to the Legislature of that State, that authority be granted to proceed with the improvements which recent surveys and estimates have shown to be entirely feasible and practicable, and comparatively cheap ; and that a suitable appropriation be made, so as to complete the work at an early day, opening up a channel between the Western States and tide water, alike ample and cheap, sufficient to meet the wants of the great grain-growing States of the Northwest for a long time to come, and as the trade increases, enabling the State of New York to reduce the tolls on her canals in a corresponding proportion."

The tenor of this resolution indicates its Buffalo origin, but it was accepted by the Convention as a compromise, all being willing that New York should be asked to perform that which they could not consistently request the National Government to undertake for her. But the Convention were not satisfied with these words of respectful recommendation.

The following resolution, which will be seen to be somewhat admonitory in its character, was also carried :—

" *Resolved*, That the State of New York, geographically located on the highway of commerce between the great chain of lakes to the seaboard, and having within her borders the metropolis of the nation, is bound by every consideration of interest and true policy, and by the comity she owes to her sister States, to improve and enlarge the shortest water communication between the lakes and tide water. Failing to do so, she must not complain if a portion of her great inland commerce shall be diverted through other and cheaper channels of communication."

The following, which appeared in the editorial columns of the *Detroit Advertiser and Tribune*, on the day succeeding these discussions, will perhaps be the best commentary upon them which can be made.

“The expression of the Convention in this city, as developed in the discussion of the resolutions upon transit between the West and East, is the most emphatic expression the great West has been enabled to make upon the subject. It has been bled and has suffered—subjected to delays and large consequent losses—it has protested and re-protested, without provoking a response of any practical character. But it has now spoken with a combined voice and emphasis that will attract attention. It must have adequate outlet and prompt transportation for its products, which for lack of it have not paid for cultivation, or have rotted on the farm. The West has also had the opportunity of speaking directly to the men who have a power and control over this matter. New York has received a fair notification, and she has received it in the presence of Canada, who has a rival route, and the two custodians of the lines of transit have been not only notified, but it has been demonstrated to them, that in their present condition, they are both inadequate. The West stands ready to give them business to an unlimited extent, and expects to pay fair rates for the facilities afforded, but if the products of the great West are not to be compelled to find their principal outlet by the Mississippi River, and to revolutionize the present arrangements of trade, she must have, speedily, the facilities that are imperatively demanded by her growth and production. There is no mistake about this fact, and we hope that our Eastern and Canadian friends will accept it in all the fulness of its earnest utterance.”

THE FREE NAVIGATION OF THE ST. LAWRENCE.

We have already remarked that the West is impressed with the conviction that its products must have the use of every outlet, natural or artificial, by

means of which they may reach the sea. These outlets, so far as they now exist, are mainly artificial; railways and canals have been constructed, and the traffic upon them is immense, yet they are not sufficient for the removal of the staples now seeking an Eastern or European market, to say nothing of what may reasonably be calculated upon a few years hence. In studying the map of the Continent, our fellow-citizens in the Northwest are attracted to the St. Lawrence, whose waters descend from their own beautiful lakes, and whose broad stream flows on most invitingly to the ocean, from their very shores. They trace the course of the Mississippi to the southeast, furnishing the central and the southern West with a commodious pathway to the sea, a pathway laid by the God of Nature, and ready for use. It is not strange that they turn their eyes again to the noble river of the north, another pathway laid by the same beneficent hand, and that they desire to place their commerce upon it. But they are arrested in their eager movement by two impediments; the Falls of Niagara interpose themselves between Erie and Ontario, and, what is yet more embarrassing, the lower waters of this northern inland navigation pass through a foreign territory. The first difficulty has been met in a measure by the Welland Canal; and, as has been seen, may be altogether remedied by an American ship canal. The question of a foreign sovereignty remains for solution. By some extreme restrictionists at the East, the point is settled with facile promptness; they say in a few words to the

West, "you have no right to wish to reach the sea by an alien stream; you are quarreling with Providence by whom you were placed in an inland position, and you must accept the lot which He has given you, and such facilities in connection with it as it has been convenient for us to furnish." Such reasoning would perhaps have been accepted in the seventeenth century, but it will not stand in the nineteenth; it might have answered a few years ago when the West was poor and feeble, but it will not do to-day when the West is a power in this Union. When a Buffalo forwarder talked at Detroit about the Empire State standing "with one arm on the lakes and the other upon the ocean," a spirited Chicago man denied that, if it were so, New York therefore commands the route of the West to the seaboard. "That doctrine went under," said he, "when New Orleans and Vicksburg fell." Those Western men know that by way of the St. Lawrence they can, at certain seasons, reach the ocean by a shorter distance, in less time and at less expense than in any other way; and they will not be forbidden by the East, to avail themselves of its convenience. If the power which controls its shores, and which owns the canals built to perfect its navigation, is ready to concede for a consideration, the privilege of its use, shall we, on the seaboard, insist upon limiting the commerce of the Northwestern States to the lines of transportation which are strictly national, notwithstanding their proved inadequacy? It may be, that even with the proposed ship canal, and with such

enlargements of the St. Lawrence canals as are in contemplation, the absolute advantage of a direct water communication with the sea, and the practicability of a mixed inland and ocean navigation which the West has in view, will prove less satisfactory than is supposed. With that, however, we at the East have nothing to do; the West is old and wise enough to judge of its own interests; and at all events, if there shall be any disappointment, it will fall upon them, not upon us. Suppose that a portion of the business of the West shall be directed to Montreal and Quebec, and shall reach the sea without giving an Eastern forwarder or factor an opportunity to collect a commission upon it. Has New York, or Boston, or Portland, or have all of them in conjunction, a monopoly of the traffic of the West; and do they possess an unanswerable right to levy tolls upon it? But how absurd is any such view. As Mr. LITTLEJOHN wisely said at the Convention, "New York can take care of herself. She will not suffer—no matter who else may gain." Yes, and Massachusetts can take care of herself, and needs no compulsive legislation to force the commerce of her sister States across her domain and through the gateway of her seaboard cities. The fact is, with the products of the West equal to the capacity of every means of outlet to the sea, no one of these will miss what the others receive, no one of them will be the poorer for the profits of the rest.

In this connection there is a further consideration which must be alluded to. It was hinted pretty plainly at *Detroit*, that the West would not be denied in this

thing. Those of us at the East who have not visited the West and carefully studied its resources, cannot understand what the growth and strength and honest pride of those new States are. Mr. Joy, from whom we shall have occasion to quote again when we recur to this subject in connection with the Reciprocity treaty, after alluding to the objection urged by the Bangor delegates, that the lumber trade of that city had been injuriously affected by the operations of the present treaty, replied in the following terms:—

“Let us admit this for a moment, and let us admit that it shall be an antagonistic interest; which it ought not to be, and will not be under any just and fair treaty. Which is the most important, that interest, great as it may be in the hands of a few rich men, or the interest of a population of ten millions, devoted to agriculture, and whose prosperity depends upon an easy and cheap access to market. Let me tell those gentlemen that if they place that great interest across the highway to the markets of the world from the Northwest, they and their friends and all their interests will necessarily go to the wall. And the same may be said of any other great interest. With the population now in the West, and soon to be there, its interests are now—and will become more so—paramount to any other. I had almost said to all others. They will have a power which nothing can stand against. But this is not the light in which to place this question. And we do not advocate a treaty which shall sacrifice any interests, but which shall be in harmony with them all, and which shall be reciprocal so far as possible, and shall secure what is of the greatest importance to the Western millions, namely, an ample, broad, unimpeded highway to all the markets of the world. In doing this, we bid the great States of New York and Pennsylvania to be of good cheer. *It will only be the overflowings of the exuberant West, which will go down the St. Lawrence.* There will then be business enough to crowd all the other avenues to their utmost capacity.”

The opinions thus expressed by men engaged in transportation have recently been emphatically sustained by the producers of the Sixth Congressional District of Illinois. At a Farmers' Convention at Morris, in the month of November, the following resolution was adopted:—

“Resolved, That it is the duty of the United States Government to secure to our citizens the full and free enjoyment of their natural rights to use the St. Lawrence River as a commercial highway to the ocean, and that in the event of the negotiation of a treaty of reciprocity between the United States and British Provinces, we trust that our Government will secure this right, together with the navigation on equal terms of the St. Lawrence canals, and a guarantee of a sufficient depth of water to enable ocean steamers of a thousand tons cargo carrying capacity to pass from tidewater to Lake Ontario.”

TIME CONTRACTS FOR FREIGHT.

We have referred to the anxiety expressed by the commercial and agricultural men of the West, in reference to the development of every practicable channel to the seaboard. The measures suggested at Detroit, pointed mainly to the widening of canals and improvement of rivers; but one topic was introduced there which was designed to secure more efficiency in the railway lines. We suppose that for many years to come no new trunk railroads will be projected between the seaboard and the Mississippi River; nor indeed is it desirable that any should be.*

* Of course we do not, in this remark, include the Troy and Greenfield, and the Boston, Hartford and Erie Railroads, both of which have passed beyond the limitation of mere projects.

But a great work remains to be done, in bringing up the roads now in operation to a higher standard of ability to meet the necessities of the country. It is practically the same to double the working capacity of an existing line, as to construct a new one; and it is much more economical and better in every respect. The general plan of our railroad system east of the Mississippi has been laid out; it now remains for managers and stockholders to complete and perfect that which has thus been commenced. By consolidation of interests, so far as is practicable; by shortening distances, where a detour can be avoided; by uniformity of gauge with connecting lines; by keeping the rolling stock and motive power in good condition and in ample supply; and above all, by laying down a double track the entire length of all the through lines, our railroads would not only be much more profitable to their proprietors, but they would be vastly more useful to the community. Local jealousies would thus in many instances be prevented; the cost of transportation would be diminished, while at the very same time the dividends of the stockholders would be augmented; and the irregularities now so frequent in transit, and such disastrous stoppages as occurred at Suspension Bridge in the spring of 1865, and at Albany in the autumn, would be unknown.

The remedy suggested at Detroit, and which was fully approved by the Convention, for the improvement of railroad transportation, was the introduction of the element of time into all contracts for freights. It was

said that railroad managers, when they receive merchandise from the shipper, ought to be able to give him some assurance as to the time which is likely to be occupied by it on the way to its destination. As it now is, shippers both to the East and to the West are aware to their cost that the question of time is one altogether of uncertainty, and that it is not safe for them to place any reliance upon the delivery of their property within a reasonable period unless they send it by express. Ordinary freight trains have a law of motion which can be calculated with far less accuracy than that of those heavenly bodies which move in the most eccentric orbits; they have their rules for running, and they are due according to the table at a given time, but they are seldom known by consignees to come to hand at that time. The consequence is, a very large amount of freight is conveyed by express companies; this, however, is altogether wrong, because the freight thus transported becomes a burden upon passenger trains, making them less regular and rendering them less safe; it is wrong, also, because the cost of transportation is more than the consumer ought to be obliged to pay, while at the same time the railroads do not get the benefit of the high rates. The original purpose for which the express business was started, was to carry small and valuable packages; and if the railroad management were what it should be, the business would be limited to this. Another remedy employed, and which has answered very well, is the establishment of freight companies who own the cars they use, as the forwarders

on the canals own the boats, and who send them without breaking bulk from one end of the route to the other. It is probable that this system which has worked so well in England with such firms as PICKFORD and CHAPLIN & HORNE, will soon be more generally adopted in the United States than at present; but, even if it were judged desirable, this could not be brought to include all the railroad freight business of the country. The railroad companies must be held responsible for the regular and prompt transportation of merchandise; and they must be required to improve their arrangements so that their freight trains may be depended upon as surely as their passenger trains; the time of transit must of course be longer in the one instance than in the other, but it need not on this account be any the less well defined. There should be a specified time, extraordinary casualties excepted, in every contract for the delivery of freight; indeed without such specification, there is no contract between the company and the shipper, which is worth anything to the latter. The rate of freight might be varied according to the speed, more or less, which may be desired by the shipper; but the companies ought, in every instance, to fix a time for the delivery of freight, and to pay liquidated damages in the event of delay. If they are satisfied that without double tracks and an abundance of rolling stock, they cannot attain any such uniformity as is here alluded to, which unquestionably may be the fact, then it is their duty to come before the community and say so. Instead of allowing the business to go on

in the present loose, and—both to themselves and to shippers—most unsatisfactory manner, they are bound by every consideration, to appeal to merchants and capitalists to furnish the money necessary to make the lines what they should be, and not to leave them half finished. The public at large fails to apprehend what a loss of power and profit is continually going on in the present system of railroad management; a small additional expenditure on our lines would make the capital already invested in them vastly more remunerative, and would put a stop to the complaints now so universally made by both shippers and consignees.

The action of the Convention on this subject is indicated by its unanimous adoption of the following resolution introduced by Mr. CONVERSE of Boston:—

“*Whereas*, Heavy and oftentimes disastrous losses result to shippers in consequence of the delays and irregularities which attend the transportation and delivery of merchandise and produce on the great railway routes between the East and West: and,

“*Whereas*, In the opinion of this Convention, there is no reason why the same certainty and regularity which attend the transit of passengers should not also exist in the transportation of freight by rail; therefore,

“*Resolved*, That the question of *time* should enter into all contracts for the delivery of freight by the principal railroad lines; and that it is equally for the interest of railroad companies themselves, and of the community at large, that a system of management be immediately arranged and adopted which shall enable shippers to rely on the delivery of freight at its destination within a definite and specified time.”

OCEAN STEAM NAVIGATION.

Intimately allied with the question of inland transportation, is that of regular and rapid communication on the ocean with the old world. The crops of the West are not only sufficient for the abundant supply of the people of this country; there is a surplus year by year steadily increasing, which must be disposed of in the European markets. It depends upon the number of vessels employed in the Atlantic trade and on their management, as to the rates of freight at which produce can be shipped; and it depends upon these rates of freight, as to whether, and to what extent, the West can compete successfully abroad with other grain growing countries. The interest of the West therefore in the development of American ocean steam commerce—experience having shown that steam can be successfully used in the conveyance of heavy cargoes across the sea, and that canvas is no longer to be depended upon—is really no less than its interest in the construction of canals and railroads on the land. The steamship line is only the extension of the railroad; and the policy and activity of the two branches should be harmonized and unified as much as possible. If, as has recently been affirmed, our foreign exports of pork amount to 300,000,000 of pounds; and, of the two millions of hogs slaughtered every season at Chicago, a great portion is shipped to the English markets, Chicago and Liverpool ought certainly to be placed in the closest possible relations. As has been seen in remarks already made, the West is anticipating much advantage to itself from direct water communication

between the lake ports and Great Britain; and after the Niagara Canal shall have been completed, and the projected improvements upon the St. Lawrence canals carried into effect, there is no doubt that to some considerable extent this direct trade may be established. If, however, for no other reason than that this will be limited to six months of the year, it cannot be looked forward to as the main dependence for intercourse between the West and Europe. Until these public works are finished, and in part at least subsequently, the chief reliance for this intercourse must be upon the ocean steam lines from Boston, New York, and other cities, in connection with the railways and canals. By through rates of freight, by through bills of lading, by unity of purpose, and by joint management, Chicago, Milwaukee, and Detroit, can be brought into as close relations with Great Britain by means of a steamship line from Boston, as by one from their own wharves; and it is to be noted that they can avail themselves of the former without prejudice at any time to the latter.

A delegate from Boston presented very fully at Detroit, the facts connected with American steam commerce, both past and present; and we quote that portion of his remarks, which bears upon the views now suggested:—

“The time has gone by for this interest to be called simply a commercial or a seaboard question. It is a national question, involving the national honor as well as the national wealth; and as such it cannot but warmly commend itself equally to the West and to the East, which have so nobly vied with each other in zealous regard for the dignity of the flag and the *honor of the republic*, and in vigorous and potential efforts to

maintain whatever is essential to this. The old paddle-wheel steamer was available, to a certain extent, for the importation of merchandise from Great Britain and continental Europe: but for the exportation of our products, it was of no service whatever. Now that ocean steamships have been perfected for the export no less than for the import trade, the agricultural interest in our country, as much as the commercial, is concerned in them; and it can no longer be a matter of indifference, either to the West or to the East, whether the ocean lines, which under the new order of things will run from our eastern seaports, and which will simply serve as the continuation of the great railway routes traversing our broad domain, bringing St. Louis, Chicago, and Detroit in close communication with Liverpool, Manchester, Havre, Genoa, and other transatlantic marts and markets, shall be controlled and managed abroad, with reference solely to foreign ideas and for the benefit of foreign owners. So far from this, we hope in the American steamship lines now going into operation, to see Western and Eastern names side by side, not only in the stock subscriptions, but in the lists of directors and managers, believing, as we do, that such an arrangement will insure the broadest, most comprehensive, and most truly national administration of the affairs of these companies."

RECIPROCAL TRADE WITH BRITISH NORTH AMERICA.

Reciprocity was unquestionably the most important question which came before the Detroit Convention. It was this, mainly, which led to the international character of the body; and it was this, which in view of the great commercial and social interests involved, imparted to its deliberations their highest significance and dignity.*

* In a letter to the President of the Detroit Board of Trade, declining the invitation which had been sent to him to visit Detroit at the time of the Convention, JOHN BRIGHT expressed himself as follows on this subject:—

"The project of your Convention gives me great pleasure. I hope it will lead to a renewal of commercial intercourse with the British North American provinces,

At the opening sessions, and especially in the process of organization, feeling upon this subject seemed to be very much divided, and not only did no one anticipate that such entire unanimity as prevailed at the close of the discussion would be witnessed, but no one would have ventured to predict with any degree of positiveness, that a decided majority of the Convention would give its vote in favor of reciprocal trade. The causes which led to this change in the feelings of the delegates will perhaps be made apparent as we proceed.

One of the first duties of the Chair, and one of the most delicate, was the appointment of a committee to report a course of action to the Convention on this subject. Mr. Joy of Detroit was made the chairman, and he displayed much ability and tact in his management of the business entrusted to his guidance. New York, Boston, Philadelphia, and several of the western cities were represented on the committee; the British American delegates, at their own request, were excused from serving upon this or any other committee, but they designated certain gentlemen of their number to submit their views.

for it will be a miserable thing, if, because they are in connection with the British crown, and you acknowledge as your Chief Magistrate the President at Washington, there should not be a commercial intercourse between them and you as free as if you were one people and living under one government.

"I have felt that when your people, so free and so instructed, apply their minds to any questions of commerce, they will soon discover what is true and adopt it, and in this faith I shall look with confidence for the most beneficial results from the discussions into which you are about to enter. Whatever tends to promote harmony and commercial dealings between the United States and the Canadas will be favorably regarded by every intelligent statesman in this country.

"Wishing you the happiest results from the Convention, and thanking you for your most kind letter, I am, with great respect, very sincerely yours,

JOHN BRIGHT."

Congress had already voted to notify Great Britain of its purpose to terminate the treaty of June 6, 1854, twelve months after the date of notice, as provided by the treaty. Various considerations led to this. The advocates of extreme protection had from the first been opposed to Reciprocity; they had not indeed presented their arguments against it from these views, but they had evidently drawn all their inspiration from them. The reason urged, and it would have been weighty if true, was that the balance of advantage under the treaty, had been altogether in favor of the British Provinces. We fear these gentlemen would not favor any treaty which would not ensure to the United States all the benefits flowing from it, and that they are not disposed to fairly and equitably consider the interests of both of the contracting parties; were it otherwise, they would have been more candid in their presentation of the facts in the case. No one claims that British America has not been benefited by the treaty; there would have been injustice had it been otherwise. The only question in this connection to be put by either party is, does either obtain any undue advantage under it, or any not contemplated by or consistent with it? On this, much may be said for and against; we are inclined to believe that but for our civil war and for the changes in our revenue system consequent upon it, the treaty would upon the whole have proved to be really reciprocal; certainly for a first experiment it has been successful, and if after the lapse of eleven years a few modifications suggest themselves,

it is not strange. There may have been, in one or two particulars, Canadian legislation which was not in accordance with the spirit of the treaty, and we shall take occasion to refer to these; on the other hand, it should be remembered that our neighbors regard the course of the Federal Government in some respects as having been in like manner contrary to what was stipulated. But conceding all that has been said on this aspect of the subject (in Congress or elsewhere,) to be correct, it is only proven that the treaty was imperfect; its want of reciprocal fairness would be no valid argument against the principle of Reciprocity, but quite the reverse, for the desirableness of that which shall be seen to be entirely reciprocal is only the more clearly illustrated by the workings of that which appears one-sided in its operations and effects.

Another potential influence which led Congress to vote so emphatically against the continuance of the treaty was the course pursued by the mercantile and governing classes in Great Britain and by many in the adjoining colonies, during the progress of the rebellion in the South. The Hon. Mr. SEYMOUR of Troy, referring to the raids from Canada and to other grievances, told the Convention that these

“Had tended to excite a feeling of hostility to the Provinces in the minds of the people of the United States, but for which feeling he had no doubt the action towards repealing the treaty taken by Congress would never have been thought of in that body, much less carried out. Now that the action had been taken, however, he thought it would be a wise plan to fully consider the subject, and see if they could not construct a treaty that would confer larger advantages on both nations.”

It is not to be denied that at the time, the people throughout the loyal States sympathized very generally with Congress in these feelings; but they have the sooner overcome them, and they have sensibly determined to weigh grave commercial questions not in the scales of political excitement and national prejudice, but according to calm convictions of international interest, and the broad principles which underlie all commercial dealings among men. They do not allow that they have had no occasion to consider themselves aggrieved, but they are disposed to accept the explanations and *quasi* apologies made by some, and the protestations offered by others, recognizing sincerity in as many instances as they can, and judging it to be conducive to mutual good will to assume it in the rest. At Detroit more than once, the American delegates could not refrain from expressing themselves to the Canadians on this point, but it was not done offensively; and what was said in reply was kindly and courteously received. The Hon. JOSEPH HOWE of Nova Scotia, whose speech in defence of Reciprocity was the great feature of the Convention, and whose eloquence, shrewdness and good feeling produced a most marked impression, reminded the Convention that in the raids from Canada which had been spoken of, not one British subject had ever taken part; and insisted that so far at least as his own Province was concerned, for every man sent to the Southern armies and for every ton shipped to the Southern ports, fifty men and fifty tons of supplies had been contributed to the cause of the Government.

His own gallant son served for two years in the Twenty-third Ohio regiment, and fought in all the battles in which his regiment was engaged during that period, two of them under General SHERIDAN in the Shenandoah Valley. It will be well if the same disposition to forgive and forget the past which was manifested on the day of adjournment at Detroit, shall be seen at Washington, in the further disposition of this great question.

We cannot determine the extent to which the next consideration to be alluded to, was influential in Congress last March; but from the stress laid upon it at Detroit by those who were supposed to represent official opinions, we apprehend that it had much to do with the course pursued at Washington. Before the assembling of the Convention, a few politicians had industriously engaged themselves in giving circulation, by letters and otherwise, to the idea that the complete abrogation of reciprocal trade between the United States and the British North American Colonies, would surely result in the almost immediate annexation of these colonies to our country, and that therefore the Detroit Convention ought to refrain from committing itself in favor of a renewal of the treaty. This was the key-note to the opposition at Detroit; starve the Canadians into annexation; aside from all questions as to the equitable character of the present treaty, or the possibility of negotiating one that shall be fair and just to both countries, withhold from the provinces the fraternal hand; forbid their further participation in a

commerce which has grown into immense proportions under their enterprise in connection with our own, and thus compel them to a closer union than has yet existed—one that shall be political as well as commercial; one that shall not be partial, but entire and complete. The Consul General of the United States in Canada, came from Montreal to give utterance and emphasis to these sentiments, and he not only expressed them in the Committee-room, but, at a public meeting convened for the purpose on the Detroit Exchange, and before an audience consisting in part of Canadians and other colonists, he enlarged upon them in a manner which many of his countrymen judged to be in very questionable taste. The electric wires were charged with messages to the Convention during the session from various parts of the country, of which the following from Washington (not from a member of the Government) may be accepted as a specimen; “Sustain Reciprocity and you establish monarchy in British North America; defeat it, and you ensure the triumph of republicanism over this continent.”

Now with everything of this kind the Convention felt that it had nothing at all to do. It was a commercial body, called together to consult upon commercial matters, and to consider them solely from a commercial point of view. Conceding that these political opinions were sound, the Convention could not possibly entertain them and be true to the call which summoned it, or to the motives which prompted business men to take part in its proceedings. A determination was shown by the

delegates to deal with every question as business men, leaving diplomacy, political expediency, and governmental policy, to those upon whom the responsibility of conducting public affairs has been laid. When the Ship Canal on the American side of the Niagara River was recommended by the Committee on Transit, as "a national work of great military and commercial importance, alike demanded by military prudence, the necessities of commerce, etc.;" the reference to military affairs was stricken out of the resolution by a vote of 129 to 26, so anxious were the members to disencumber their action from whatever was not purely commercial. So with respect to Reciprocity, the decision to be given at Detroit was whether the merchants of the country regard this principle as desirable and essential to our mercantile interests; this being settled, it was for the Government to decide between these and other interests involved, and to act accordingly.

But aside from this, the good sense of the American delegates was, for the most part, shocked by the aspect of the subject thus presented to them. To make enemies of our neighbors, in order to convert them into friends; to give them good reason to hate us, in order to win them to be brothers; to stir up grave dissensions among them, and to hazard revolution with all its horrors, in order to prepare them for citizenship with ourselves, was thought to be a suggestion equally monstrous and absurd. There were few in the Convention on the American side of the house, who doubted that these colonies will, if left to follow their own bent,

become at no very distant day an integral part of the Federal Union ; but we venture to say there was not a delegate who would not have scorned to promote or to hasten annexation by such a vote as was recommended by some politicians, who were seeking to influence the action of the Convention.

The position suggested, however, was no less unsound in principle than dangerous in morals. Mr. Joy, towards the close of a powerful argument in favor of Reciprocal trade, took occasion to speak as follows :—

“I must allude to an argument which may influence some minds, and which is put forth almost with the importance of official statements, which is, that if no treaty is formed, Canada will suffer so much that in the course of a few years her government will be revolutionized, and she will come into the Federal Union. This is possible ; but I reason differently. Men, and particularly whole peoples, do not like to be coerced. The more likely course of events would be that which took place before the present treaty was made. All the questions connected with the fisheries would be thrown open. Collisions would again take place upon the fishing grounds. Irritations would beget irritations. A blow would be struck one side or the other, and the people of the Provinces would rally around the flag of their country, and we should have acquired a war instead of an addition of States. Who for a moment during the late civil war, entertained the thought that had a war broken out between us and Great Britain, which would have suspended all treaties and stopped all trade, Canada would have joined us in the contest ? Who does not know that such would not have been the case ? Besides, a policy adopted from such a motive is unworthy of a great nation. I have but little sympathy with Great Britain. Her conduct merits but little at our hands ; but I would not imitate her. I would adopt no policy designed to foster dissensions or create revolutions in the Provinces. If such a policy could by possibility

be entertained by the American people, it would be the amplest, fullest, and most complete justification of all the conduct of Great Britain during the late unhappy war. Our mouths would be and should be in that case forever closed against all censure for her conduct. We should ourselves be equally guilty without the same sympathy to lead our judgments astray."

The Canadian delegates were put upon their sense of loyalty by what had been urged within their hearing, and they strongly disclaimed all approbation of the sentiments which had been expressed about annexation, and, under the circumstances, it was made impossible for them to do otherwise. Mr. Howe spoke as follows:—

"I know that it has been asserted by some, and I have heard it said since I came to this Convention, that if the Reciprocity treaty is annulled the British Provinces will be so cramped that they will be compelled to seek annexation to the United States. I beg leave to be allowed to say upon that point that I know the feeling in the Lower Provinces pretty thoroughly, and believe I am well enough acquainted with the Canadians to speak for them also, and speak for them all, with such exceptions as must be made when speaking for any entire population, when I make the assertion that no considerations of finance, no question of balance for or against them upon interchanges of commodities, can have any influence upon the loyalty of the British Provinces, or tend in the slightest degree to alienate the affections of the people from their country, their institutions, their government and their Queen. There is not a loyal man in the British American Provinces, no man worthy of the name, who, whatever may happen to the treaty, will become any the less loyal, any the less true to his country on that account. There is not a man who dare, on the abrogation of the treaty, if such should be its fate, take the hustings and appeal to any constituency on annexation principles throughout the entire domain."

The Committee on Reciprocity reported two resolutions to the Convention, the first of which was immediately and unanimously adopted:—

“Resolved, That this Convention do approve of the action of the Government of the United States in giving notice to the Government of Great Britain, of its wish to terminate the treaty of Reciprocity of June 6, 1854.”

It was not because all that had been urged on the subject was admitted to be true, that this vote against the present treaty was unanimous. Its imperfections were conceded, but by many its having been a failure was denied. Mr. JOHNSTON of Milwaukee made an exceedingly sensible speech, extracts from which will, we feel sure, be interesting to our readers. After insisting that the delegates had come together with “no old scores to settle, no spiteful feelings to gratify, no revenge to inflict on any,” he proceeded:—

“One of the first effects of the treaty we notice is the great impetus it gave to trade between the United States and the Provinces. During eight years previous to the treaty, it amounted to one hundred and fifty millions, while during eight years since the treaty it has reached the enormous sum of four hundred millions. Now, Mr. Chairman, I am one of those who believe that Americans will not continue to carry on a trade of fifty millions per annum, year after year, if they are losing by it. The Reciprocity treaty compels no man to buy or sell to the Canadians one dollar’s worth, and I am convinced no American does buy or sell one dollar’s worth unless where he considers that it pays to do so. There are some who think that in every trade between two nations, one or the other must lose. I do not believe it. I think two nations may carry on a large trade for years, and both grow rich by it. In fact, it

must be profitable to both or it will be abandoned. Now the very fact that trade has increased largely under the treaty is to me a strong evidence that it is highly advantageous to both."

* * * * *

"The opponents of Reciprocity tantalize us by parading the millions of revenue which we could have obtained from the articles now being imported from the Provinces, had they not been made free by the treaty. They forget to tell us that this great trade would not have existed had it not been for the treaty; and even had it existed, and a large revenue accrued from it, we would have been the persons who would have enjoyed the privilege of paying the duties, and not the Canadians, for it is the consumers of commodities who pay the imports upon them. But, think you, would the people of these Northern States be more able to pay their taxes after this immense and profitable trade is destroyed than they are now? Would it not be a sad spectacle to witness this great Convention of commercial men vote to dry up the mighty streams of traffic which unceasingly flow across our vast frontier, merely to enable the Government to collect a few thousand dollars more revenue?"

Mr. JOHNSTON quoted the exact figures from the reports of the Secretary of the Treasury, to show that since the treaty, we have sent the Provinces more than we have received from them, of flour nearly nine millions, of meat nearly eight millions, and of coal nearly three millions of dollars; and he referred to some of the positions taken by the chief opponent of Reciprocity in the United States, in terms of indignant reproof, which, although severe, we must quote as they were uttered:—

"Mr. MORRILL recently delivered a speech on Reciprocity, and gave a number of statistics which I have compared carefully with those of our Treasury Department, and I find them very incorrect and unfair. In the first place, he for the most

part gives only the statistics of trade with Canada, ignoring that with the maritime Provinces, and whenever he selects the trade of a single year, he invariably chooses that year when it appeared most unfavorable to the United States. This course is worthy of a tricky politician, but would be spurned by a candid man of business. Mr. MORRILL, to show the injurious workings of the treaty, states that the domestic exports from Chicago in 1856 were \$1,345,223, and in 1861 they were \$353,000. 'Surely,' says he, 'we have no reason to look on such a trade with favor.' Now the exports of domestic produce from Chicago in 1861 were, according to the Custom House books and the Secretary's report, not \$353,000, but \$3,522,343. What confidence can be placed on reasoning based on such erroneous statistics as these? Mr. MORRILL's speech was widely circulated, and may have had some weight against the treaty with those who did not examine the figures for themselves, but with any one acquainted with its operations, his assertions have no more weight than the passing wind."

The Hon. Mr. SABINE of Boston, a high authority on these questions, controverted Mr. MORRILL's statements in the following forcible sentences:—

"Members of Congress mourn the disadvantages of Reciprocity, but cannot you respond with me in the sentiment of Sir JAMES MACINTOSH, 'Happy is that people whose commerce flourishes in the ledger, while it is bewailed in orations; and remains untouched in calculations, while it expires in pictures of eloquence?' And here, I must be permitted to say that I am amazed to hear from Mr. MORRILL of Vermont, the declaration in a speech which, under his own frank, has been very extensively circulated, that 'By the treaty, the ancient laws of trade have been subverted,' and that especially our Canadian neighbors 'sell to us, but go elsewhere to buy.' I repeat, that I am amazed. On what authority does he make this extraordinary statement? The late Secretary of the Treasury, in a communication which was referred to the Committee on Commerce Feb. 1, 1864, informed the country that

during the ten years ending in 1863, our exports to Canada amounted (in whole numbers) to \$170,635,000, and that our imports from that colony for the same period, were of the value of \$152,051,000 ; or, that our sales exceeded our purchases in the sum of \$18,584,000. With these figures, what becomes of the assertion that the Canadians 'sell to us, but go elsewhere to buy?' The truth is that under Reciprocity, and until the late rebellion, *Canada bought more of the United States than of all the rest of the world besides!* As thus: total imports from every country from 1855 to 1860 (both years inclusive) \$215,982,776, of which \$114,259,345 were from *our* ports, showing *a balance in our favor against all other nations* in these six years of \$12,535,914, or of *more than two millions of dollars annually."*

The most candid and comprehensive speech in opposition to the treaty of 1854, was that of the Hon. Mr. HATCH of Buffalo. He made two points as against the recent policy of the Canadian Government which deserve notice, as this policy has unquestionably dissatisfied many of our countrymen with the present basis upon which our trade with Canada is carried on. The first of these has reference to the changes which have taken place in the Canadian tariff system since 1854. We could not justly find fault with our neighbors had they from time to time simply increased their duties on imports, for we have ourselves advanced our rates probably much more than they have done during the same period. The treaty did not commit either nation to a low or to any defined scale of imposts, and the internal policy of each, in reference to revenue, is its own concern exclusively, as it always has been. It has been insisted, however, that the Canadian tariff of

1859 was avowedly based upon an exclusive policy, and was designed to discriminate against the United States. Mr. HATCH expressed himself as follows:—

“The people of Western Canada were accustomed to buy their wines, spirits, groceries, and East and West India produce, besides many other commodities, at New York, Boston or Montreal. The former system admitted American cities to competition, the duties having been specified and levied on the weight, measure or number of articles, wherever they were purchased. Thus no greater duty was charged on imports via Boston or New York to Toronto or Hamilton, than via the St. Lawrence to Montreal. The present system forces the people of Canada to discontinue their business connections with our merchants, and buy from the Montreal or Quebec importer. Thus the productions of China, Brazil or Cuba, if brought to Canada via the St. Lawrence, pay duty on their value in the country of their origin, but if purchased in our Atlantic cities, must pay duty on that value, increased by interest, freight over the ocean, and the various other expenses and charges of the insurer, shipper and merchant. This is not only legislation against our carriers, but against all our mercantile interests. The increase of duty has been carefully estimated to be twenty per centum on goods imported into the United States and thence into Canada, in excess of the duties levied upon goods carried via Montreal. The distance from Cuba to Toronto via the St. Lawrence, (a river closed half the year) is about three times as great as through the United States. Thus Canada vainly strives to conquer the laws of arithmetic, climate and geography.”

Mr. HATCH quoted from Mr. GALT, the Finance Minister of Canada, in a report made March 1, 1860, to show what the purpose of this legislation was in reference to this country:—

“By extending the *ad valorem* principle to all importations, and thereby encouraging and developing the direct trade

between Canada and all foreign countries by sea, *and so far benefiting the shipping interests of Great Britain*—an object which is partly attained through the duties being taken upon the value in the market where last bought—the levy of specific duties for several years had completely diverted the trade of Canada in teas, sugars, etc., to the American markets, and had destroyed a very valuable trade which formerly existed from the St. Lawrence to the lower Provinces and the West Indies. It was believed that the competition of our canals and railroad systems (via Portland) together with the improvement of the navigation of the lower St. Lawrence, justified the belief that the supply of Canadian wants might be once more made by sea, and the benefits of this commerce obtained for our own merchants and forwarders. Under this conviction it was determined by the Government to apply the principles of *ad valorem* duties.”

And again :—

“ Any increase of duty which has been placed upon English goods is quite indemnified by the decreased cost at which our canals, railways and steamships enable them now to be delivered throughout the Province, and that if the question were one of competition with Canadian manufacturers, *the English exporter* is quite as well off as before, while as compared with *the American*, his position is greatly improved.”

No one in the United States has any right to find fault with Canada for increasing its imposts in order to meet its expenditure on the public works of the Province, or for desiring to make these works as remunerative as possible ; but to discriminate against the United States in the adjustment of the duties, should have been postponed, to say the least, until this country had signified a determination to no longer hold commercial intercourse with Canada upon reciprocal terms.

The other question of Canadian policy adverted to by Mr. HATCH, had reference to the collection of the canal tolls, and here we think the people of the West had certainly some cause for complaint. We again quote from his speech :—

“The Committee appointed by the Canadian Legislative Assembly in 1855, unhesitatingly affirm in their report that the St. Lawrence Canals were constructed at a large public expenditure, for the purpose of drawing the trade of the Western States to the ports of Montreal and Quebec. The people of the United States are entitled, under the treaty, to use the River St. Lawrence and the Canals in Canada, as the means of communicating between the great lakes and the Atlantic ocean, subject only to the same tolls and other assessments as now are or may hereafter be exacted of her Majesty’s subjects.

“But as we are the chief carriers through the Welland Canal of wheat, flour and corn—almost the only freight of our vessels by this route—a discrimination against us is made by imposing the same tolls on these articles on their passage through the Canal, (a work twenty-eight miles in length, and forming the only means of communication for lake vessels between the upper and lower lakes,) as if they passed through the Canadian Canals. Yet we carry twenty-five tons on the Welland Canal for every single ton we carry on the others. If the cargo is not delivered to an American port, but delivered to a Canadian port, the shipper, upon the presentation of an official certificate of the latter fact to the Custom House officer at Port Colborne, receives a drawback of ninety per centum on the tolls paid upon his cargo.”

Mr. RYAN of Montreal explained that this remission of a portion of the canal tolls was made as an experiment, but had been given up. It had its effect, however, in this country adversely to the treaty, and it furnished

an argument to extreme protectionists here which we are sorry they were able to obtain from a statesman so enlightened and advanced in his general views as Mr. GALT.

But it was not to any extent because of these measures that the action of Congress in determining to give to Great Britain the year's notice of discontinuance, was approved at Detroit. Rather, it was believed that the condition of the country had very greatly changed since the treaty of 1854 was negotiated, rendering important modifications indispensable; that the benefits of reciprocal trade should be extended on both sides of the national frontier, as far as the Pacific coast; that new facilities were needed, to render the St. Lawrence useful to the West as an outlet to the sea; and that a more definite and full understanding in both countries of many questions now open and unsettled, was necessary in order to unite the two in a closer and more perpetual amity. The principle of Reciprocity was fully recognized and sanctioned; the best mode of applying it, was all that remained as a subject of discussion. In reference to a new treaty, the Convention wisely refrained from indicating the precise form which it should take, and from prescribing any of the details. Expressing full confidence in the high officials upon whom, in connection with English statesmen, the duty of framing it will devolve, and in the Senate before whom it must come for confirmation, the delegates desired only to give utterance to their earnest conviction that reciprocal trade between the United States and British North

America ought not to be discontinued; and they respectfully memorialized the President to that effect. This brings us to the second resolution, which was adopted substantially as the Committee reported it, and with entire and most gratifying unanimity. It was as follows :—

“*Resolved*, That this Convention do respectfully request the President of the United States to enter into negotiations with the Government of Great Britain, having in view the execution of a treaty between the two countries, for reciprocal commercial intercourse between the United States and the several Provinces of British North America, including British Columbia, the Selkirk Settlement and Vancouver’s Island, based on principles which shall be just and equitable to all parties, and with reference to the present financial condition of the United States, and which shall also include the free navigation of the St. Lawrence and the other rivers of British North America, with such improvements of the rivers and enlargement of the canals, as shall render them adequate for the requirements of the West in communicating with the ocean.”

The question of Transportation, as has been remarked in our review of that topic, entered very fully into the discussion on the Reciprocity treaty. Mr. HATCH conceded that, of nearly all the articles named in the treaty, a surplus is common to both countries, and that we have an abundant supply, and a surplus for export, of these articles. Mr. JOHNSTON expanded this idea, and said,—

“It is absurd to speak of the balance of trade between two countries, in a commodity of which both have a surplus. The question is one of transportation, and that alone. The Canadas lie between the Western States and the markets of Europe,

and the Eastern States lie between Canada and those markets, and is not the true policy for the two countries to grant an unimpeded passage for each other's products through their respective territories?"

Mr. Joy spoke more at length in the same strain. After repeating in part what he had already said on the subject of Transportation, in connection with the resolutions in favor of the Ship Canal, he added, with reference to the free navigation of the St. Lawrence,—

"It is this consideration which makes the question of the Reciprocity treaty of immense importance to the whole Northwest, and brings it home to the very door of the ten millions of people already inhabiting this great and fertile region, and soon to be double that number. The interests of that great population it is not in the power of the Government to protect by tariffs. They must compete freely with all the world; with the Pole, the Russian and the Egyptian, as well as the Englishman, in the markets of England and France, and their productions must not only go to the seaboard, but across the Atlantic to meet that competition. Who can estimate, then, the importance to the West of an open trade and an unobstructed highway to the ocean, ample for ships of the proper dimensions to render cheap transportation profitable? Those who can appreciate this, may know the importance of the Reciprocity treaty which shall secure this object to the lake country. The statesman who does it will merit the gratitude of a countless population in all coming time, who will be relieved and enriched by his statesmanship."

The commercial reasons, however, in favor of an open trade with British North America, were not overlooked. Our annual transactions with the Provinces have increased under the treaty now in force to fifty millions of dollars, more than twice what they were

previously to 1854. It is a most grave question whether this international commerce shall be violently checked, and the whole course of trade disturbed along a frontier of more than fifteen hundred miles. Under the easy operations of the treaty, Canada East buys largely of flour made from the spring wheat of Wisconsin and Illinois, while New England consumes much of the fine wheat and flour of Canada West. There is a similar interchange of meat, coal, tallow, fruit and lumber. Shall all this traffic be stopped, and the unembarrassed transit of the products of the two countries from one to the other and across each other be prohibited, because during recent years we have not all been able to see exactly alike upon political affairs, or for any other reason which has been given? Had Reciprocity never been adopted as a principle, there might be some plausibility in asserting that the present time is not the most favorable for attempting the experiment. But to recede from the high ground we have occupied without a valid reason for doing so, or any except that which springs from pique or passion, is not only to retrograde while all the world is moving on towards liberal ideas and friendly international relations, but it is also to endanger the commercial prosperity of millions of our people.

It was hardly to be expected that the importance of the fisheries would be fully appreciated so far from salt water; but Mr. JOY showed himself to be entirely familiar with the facts on this subject, and Mr. SEYMOUR and Mr. SABINE argued effectively from them in favor

of a new treaty. The latter gentleman furnished an able historical sketch of the misunderstandings respecting the fishing grounds of North America, which embarrassed diplomatic intercourse between the United States and Great Britain for so many years, and which at times brought the two nations to the very verge of war. He reminded the Convention that the cod, the haddock, the halibut and the mackerel, except for consumption when fresh, are not to be found in any of our waters. For these and for other sea fish, we are, and from the peace of 1783 have been, dependent upon treaty stipulations. "*In a word, sir,*" said he, "*the United States do not exercise sovereign jurisdiction over a single fishing ground in all America.*" After the war of 1812 the fishery question was opened again, and it was not until 1818 that an adjustment was reached which enabled our fishermen to pursue their hazardous avocation unmolested, and which restored diplomatic relations between Great Britain and ourselves to anything like harmony. The subsequent construction put upon the treaty of 1818 by the Crown lawyers and insisted on by the British Government, was that "three miles from the shore" meant a distance to be measured "from the headlands or extreme points of land next to the sea of the coast, or of the entrance of the bays." By this decision, the only fishing grounds which could be used by American vessels were those of the open ocean. It caused great excitement along the coast; and as the probability increased of collisions on the fishing grounds between the war vessels sent there by

both powers in 1852 to protect the citizens of each, the excitement spread through the country, and doubtless hastened the negotiations at Washington which resulted in the present treaty of Reciprocity. So important and so delicate did Mr. MARCY regard the questions which were involved in the rendering adopted by Great Britain of the three-mile clause, that he requested the British Government to give immediate permission to our fishermen to fish upon the grounds made free to them by the treaty, without waiting for its adoption by the several Colonial Governments, which was essential to give it validity and force; and this request was granted. "But," said Mr. SABINE,

"Abrogate the Reciprocity treaty of 1854, and the headland construction of the Convention of 1818, which I not only again pronounce unfortunate, but deliberately denounce as the greatest blunder in the whole diplomatic history of our country; abrogate that treaty, sir, and the headland construction will be revived and insisted upon in a moment. And I pray, in all soberness, to ask what we of the United States can say or do in the premises? As I have already remarked, the Crown lawyers have passed in judgment upon the case; Her Majesty's Government have adopted their opinion and our Government must submit to it or appeal to force. The question of free fishing in the seas of America is almost as old as Protestant civilization in this hemisphere; and yet, strangely enough, our flag, in the lapse of a few months, as matters now stand, will disappear in all the bays of the British possessions and be seen only on the open ocean."

One further consideration remains to be noticed, as having influenced the Detroit Convention in its decision. It is true that the large majority of the delegates were

uncompromisingly opposed to the introduction of political questions and of diplomatic expediency into the discussions in which they were called to participate. But at the same time they did not forget that they were men, that they were citizens of this country, or that they were allied by the ties of human brotherhood to those who dwell beyond our own frontier. The Convention, although not political, was strongly patriotic; it was also disposed to recognize the duties which rest equally on Americans and Canadians to promote good-fellowship and cordiality. The good taste and tact displayed by the delegates from British America, the pleasant social intercourse which prevailed between them and the American members, their evident desire to dwell upon terms of amity and confidence by the side of the people of this country, and especially the earnest appeals of Mr. Howe in his noble speech on the last day of the session, conspired to disarm opposition, to allay prejudice, to obliterate painful recollections and impressions, and to reassure confidence in the friendship of those whom it was always trying to regard in any other light than as friends. The result was a most harmonious termination to a discussion which had been more or less heated; a triumphant unanimity in the action determined upon; and an adjournment, under circumstances which left a most pleasant and satisfactory impression upon every mind. An extract from Mr. Howe's speech will illustrate the spirit by which he was animated, and under the genial influence of which Americans at Detroit were disposed to lay aside all

prejudice, and to pass upon the great measure submitted to them on its intrinsic merits:—

“ We are here to determine how best we can draw together in the bonds of peace, friendship and commercial prosperity, the three great branches of the British family. In the presence of this great theme, all petty interests should stand rebuked; we are not dealing with the concerns of a city, a province, or a state, but with the future of our race in all time to come. Some reference has been made to ‘elevators’ in your discussions. What we want is an elevator to lift our souls to the height of this argument. Why should not these three great branches of the family flourish, under different systems of government, it may be, but forming one grand whole, proud of a common origin, and of their advanced civilization? We are taught to reverence the mystery of the Trinity, and our salvation depends on our belief. The clover lifts its trefoil leaves to the evening dew, yet they draw their nourishment from a single stem. Thus, distinct, and yet united, let us live and flourish.

* * * * *

“ But it may be said, we have been divided by two wars. What then? The noble St. Lawrence is split in two places, by Goat Island and by Anticosti, but it comes down to us from the same springs in the same mountain sides; its waters sweep together past the pictured rocks of Lake Superior, and encircle in their loving embrace the shores of Huron and Michigan. They are divided at Niagara Falls as we were at the revolutionary war; but they come together again on the peaceful bosom of Ontario. Again they are divided on their passage to the sea; but who thinks of divisions when they lift the keels of commerce; or, when drawn up to heaven, they form the rainbow and the cloud? It is true that in eighty-five years we have had two wars; but what then? Since the last, we have had fifty years of peace, and there have been more people killed in a single campaign in the late civil war than there were in the two national wars between this country and Great Britain. The people of the United States hope to draw together

during the ten years ending in 1863, our exports to Canada amounted (in whole numbers) to \$170,635,000, and that our imports from that colony for the same period, were of the value of \$152,051,000 ; or, that our sales exceeded our purchases in the sum of \$18,584,000. With these figures, what becomes of the assertion that the Canadians 'sell to us, but go elsewhere to buy?' The truth is that under Reciprocity, and until the late rebellion, *Canada bought more of the United States than of all the rest of the world besides!* As thus: total imports from every country from 1855 to 1860 (both years inclusive) \$215,982,776, of which \$114,259,345 were from *our* ports, showing *a balance in our favor against all other nations* in these six years of \$12,535,914, or of *more than two millions of dollars annually."*

The most candid and comprehensive speech in opposition to the treaty of 1854, was that of the Hon. Mr. HATCH of Buffalo. He made two points as against the recent policy of the Canadian Government which deserve notice, as this policy has unquestionably dissatisfied many of our countrymen with the present basis upon which our trade with Canada is carried on. The first of these has reference to the changes which have taken place in the Canadian tariff system since 1854. We could not justly find fault with our neighbors had they from time to time simply increased their duties on imports, for we have ourselves advanced our rates probably much more than they have done during the same period. The treaty did not commit either nation to a low or to any defined scale of imposts, and the internal policy of each, in reference to revenue, is its own concern exclusively, as it always has been. It has been insisted, however, that the Canadian tariff of

1859 was avowedly based upon an exclusive policy, and was designed to discriminate against the United States. Mr. HATCH expressed himself as follows:—

“The people of Western Canada were accustomed to buy their wines, spirits, groceries, and East and West India produce, besides many other commodities, at New York, Boston or Montreal. The former system admitted American cities to competition, the duties having been specified and levied on the weight, measure or number of articles, wherever they were purchased. Thus no greater duty was charged on imports via Boston or New York to Toronto or Hamilton, than via the St. Lawrence to Montreal. The present system forces the people of Canada to discontinue their business connections with our merchants, and buy from the Montreal or Quebec importer. Thus the productions of China, Brazil or Cuba, if brought to Canada via the St. Lawrence, pay duty on their value in the country of their origin, but if purchased in our Atlantic cities, must pay duty on that value, increased by interest, freight over the ocean, and the various other expenses and charges of the insurer, shipper and merchant. This is not only legislation against our carriers, but against all our mercantile interests. The increase of duty has been carefully estimated to be twenty per centum on goods imported into the United States and thence into Canada, in excess of the duties levied upon goods carried via Montreal. The distance from Cuba to Toronto via the St. Lawrence, (a river closed half the year) is about three times as great as through the United States. Thus Canada vainly strives to conquer the laws of arithmetic, climate and geography.”

Mr. HATCH quoted from Mr. GALT, the Finance Minister of Canada, in a report made March 1, 1860, to show what the purpose of this legislation was in reference to this country:—

“By extending the *ad valorem* principle to all importations, and thereby encouraging and developing the direct trade

between Canada and all foreign countries by sea, *and so far benefiting the shipping interests of Great Britain*—an object which is partly attained through the duties being taken upon the value in the market where last bought—the levy of specific duties for several years had completely diverted the trade of Canada in teas, sugars, etc., to the American markets, and had destroyed a very valuable trade which formerly existed from the St. Lawrence to the lower Provinces and the West Indies. It was believed that the competition of our canals and railroad systems (via Portland) together with the improvement of the navigation of the lower St. Lawrence, justified the belief that the supply of Canadian wants might be once more made by sea, and the benefits of this commerce obtained for our own merchants and forwarders. Under this conviction it was determined by the Government to apply the principles of *ad valorem* duties.”

And again :—

“ Any increase of duty which has been placed upon English goods is quite indemnified by the decreased cost at which our canals, railways and steamships enable them now to be delivered throughout the Province, and that if the question were one of competition with Canadian manufacturers, *the English exporter* is quite as well off as before, while as compared with *the American*, his position is greatly improved.”

No one in the United States has any right to find fault with Canada for increasing its imposts in order to meet its expenditure on the public works of the Province, or for desiring to make these works as remunerative as possible ; but to discriminate against the United States in the adjustment of the duties, should have been postponed, to say the least, until this country had signified a determination to no longer hold commercial intercourse with Canada upon reciprocal terms.

The other question of Canadian policy adverted to by Mr. HATCH, had reference to the collection of the canal tolls, and here we think the people of the West had certainly some cause for complaint. We again quote from his speech :—

“The Committee appointed by the Canadian Legislative Assembly in 1855, unhesitatingly affirm in their report that the St. Lawrence Canals were constructed at a large public expenditure, for the purpose of drawing the trade of the Western States to the ports of Montreal and Quebec. The people of the United States are entitled, under the treaty, to use the River St. Lawrence and the Canals in Canada, as the means of communicating between the great lakes and the Atlantic ocean, subject only to the same tolls and other assessments as now are or may hereafter be exacted of her Majesty’s subjects.

“But as we are the chief carriers through the Welland Canal of wheat, flour and corn—almost the only freight of our vessels by this route—a discrimination against us is made by imposing the same tolls on these articles on their passage through the Canal, (a work twenty-eight miles in length, and forming the only means of communication for lake vessels between the upper and lower lakes,) as if they passed through the Canadian Canals. Yet we carry twenty-five tons on the Welland Canal for every single ton we carry on the others. If the cargo is not delivered to an American port, but delivered to a Canadian port, the shipper, upon the presentation of an official certificate of the latter fact to the Custom House officer at Port Colborne, receives a drawback of ninety per centum on the tolls paid upon his cargo.”

Mr. RYAN of Montreal explained that this remission of a portion of the canal tolls was made as an experiment, but had been given up. It had its effect, however, in this country adversely to the treaty, and it furnished

an argument to extreme protectionists here which we are sorry they were able to obtain from a statesman so enlightened and advanced in his general views as Mr. GALT.

But it was not to any extent because of these measures that the action of Congress in determining to give to Great Britain the year's notice of discontinuance, was approved at Detroit. Rather, it was believed that the condition of the country had very greatly changed since the treaty of 1854 was negotiated, rendering important modifications indispensable; that the benefits of reciprocal trade should be extended on both sides of the national frontier, as far as the Pacific coast; that new facilities were needed, to render the St. Lawrence useful to the West as an outlet to the sea; and that a more definite and full understanding in both countries of many questions now open and unsettled, was necessary in order to unite the two in a closer and more perpetual amity. The principle of Reciprocity was fully recognized and sanctioned; the best mode of applying it, was all that remained as a subject of discussion. In reference to a new treaty, the Convention wisely refrained from indicating the precise form which it should take, and from prescribing any of the details. Expressing full confidence in the high officials upon whom, in connection with English statesmen, the duty of framing it will devolve, and in the Senate before whom it must come for confirmation, the delegates desired only to give utterance to their earnest conviction that reciprocal trade between the United States and British North

America ought not to be discontinued; and they respectfully memorialized the President to that effect. This brings us to the second resolution, which was adopted substantially as the Committee reported it, and with entire and most gratifying unanimity. It was as follows:—

“Resolved, That this Convention do respectfully request the President of the United States to enter into negotiations with the Government of Great Britain, having in view the execution of a treaty between the two countries, for reciprocal commercial intercourse between the United States and the several Provinces of British North America, including British Columbia, the Selkirk Settlement and Vancouver’s Island, based on principles which shall be just and equitable to all parties, and with reference to the present financial condition of the United States, and which shall also include the free navigation of the St. Lawrence and the other rivers of British North America, with such improvements of the rivers and enlargement of the canals, as shall render them adequate for the requirements of the West in communicating with the ocean.”

The question of Transportation, as has been remarked in our review of that topic, entered very fully into the discussion on the Reciprocity treaty. Mr. HATCH conceded that, of nearly all the articles named in the treaty, a surplus is common to both countries, and that we have an abundant supply, and a surplus for export, of these articles. Mr. JOHNSTON expanded this idea, and said,—

“It is absurd to speak of the balance of trade between two countries, in a commodity of which both have a surplus. The question is one of transportation, and that alone. The Canadas lie between the Western States and the markets of Europe,

and the Eastern States lie between Canada and those markets, and is not the true policy for the two countries to grant an unimpeded passage for each other's products through their respective territories?"

Mr. Joy spoke more at length in the same strain. After repeating in part what he had already said on the subject of Transportation, in connection with the resolutions in favor of the Ship Canal, he added, with reference to the free navigation of the St. Lawrence,—

"It is this consideration which makes the question of the Reciprocity treaty of immense importance to the whole Northwest, and brings it home to the very door of the ten millions of people already inhabiting this great and fertile region, and soon to be double that number. The interests of that great population it is not in the power of the Government to protect by tariffs. They must compete freely with all the world; with the Pole, the Russian and the Egyptian, as well as the Englishman, in the markets of England and France, and their productions must not only go to the seaboard, but across the Atlantic to meet that competition. Who can estimate, then, the importance to the West of an open trade and an unobstructed highway to the ocean, ample for ships of the proper dimensions to render cheap transportation profitable? Those who can appreciate this, may know the importance of the Reciprocity treaty which shall secure this object to the lake country. The statesman who does it will merit the gratitude of a countless population in all coming time, who will be relieved and enriched by his statesmanship."

The commercial reasons, however, in favor of an open trade with British North America, were not overlooked. Our annual transactions with the Provinces have increased under the treaty now in force to fifty millions of dollars, more than twice what they were

previously to 1854. It is a most grave question whether this international commerce shall be violently checked, and the whole course of trade disturbed along a frontier of more than fifteen hundred miles. Under the easy operations of the treaty, Canada East buys largely of flour made from the spring wheat of Wisconsin and Illinois, while New England consumes much of the fine wheat and flour of Canada West. There is a similar interchange of meat, coal, tallow, fruit and lumber. Shall all this traffic be stopped, and the unembarrassed transit of the products of the two countries from one to the other and across each other be prohibited, because during recent years we have not all been able to see exactly alike upon political affairs, or for any other reason which has been given? Had Reciprocity never been adopted as a principle, there might be some plausibility in asserting that the present time is not the most favorable for attempting the experiment. But to recede from the high ground we have occupied without a valid reason for doing so, or any except that which springs from pique or passion, is not only to retrograde while all the world is moving on towards liberal ideas and friendly international relations, but it is also to endanger the commercial prosperity of millions of our people.

It was hardly to be expected that the importance of the fisheries would be fully appreciated so far from salt water; but Mr. JOY showed himself to be entirely familiar with the facts on this subject, and Mr. SEYMOUR and Mr. SABINE argued effectively from them in favor

of a new treaty. The latter gentleman furnished an able historical sketch of the misunderstandings respecting the fishing grounds of North America, which embarrassed diplomatic intercourse between the United States and Great Britain for so many years, and which at times brought the two nations to the very verge of war. He reminded the Convention that the cod, the haddock, the halibut and the mackerel, except for consumption when fresh, are not to be found in any of our waters. For these and for other sea fish, we are, and from the peace of 1783 have been, dependent upon treaty stipulations. "*In a word, sir,*" said he, "*the United States do not exercise sovereign jurisdiction over a single fishing ground in all America.*" After the war of 1812 the fishery question was opened again, and it was not until 1818 that an adjustment was reached which enabled our fishermen to pursue their hazardous avocation unmolested, and which restored diplomatic relations between Great Britain and ourselves to anything like harmony. The subsequent construction put upon the treaty of 1818 by the Crown lawyers and insisted on by the British Government, was that "three miles from the shore" meant a distance to be measured "from the headlands or extreme points of land next to the sea of the coast, or of the entrance of the bays." By this decision, the only fishing grounds which could be used by American vessels were those of the open ocean. It caused great excitement along the coast; and as the probability increased of collisions on the fishing grounds between the war vessels sent there by

both powers in 1852 to protect the citizens of each, the excitement spread through the country, and doubtless hastened the negotiations at Washington which resulted in the present treaty of Reciprocity. So important and so delicate did Mr. MARCY regard the questions which were involved in the rendering adopted by Great Britain of the three-mile clause, that he requested the British Government to give immediate permission to our fishermen to fish upon the grounds made free to them by the treaty, without waiting for its adoption by the several Colonial Governments, which was essential to give it validity and force; and this request was granted. "But," said Mr. SABINE,

"Abrogate the Reciprocity treaty of 1854, and the headland construction of the Convention of 1818, which I not only again pronounce unfortunate, but deliberately denounce as the greatest blunder in the whole diplomatic history of our country; abrogate that treaty, sir, and the headland construction will be revived and insisted upon in a moment. And I pray, in all soberness, to ask what we of the United States can say or do in the premises? As I have already remarked, the Crown lawyers have passed in judgment upon the case; Her Majesty's Government have adopted their opinion and our Government must submit to it or appeal to force. The question of free fishing in the seas of America is almost as old as Protestant civilization in this hemisphere; and yet, strangely enough, our flag, in the lapse of a few months, as matters now stand, will disappear in all the bays of the British possessions and be seen only on the open ocean."

One further consideration remains to be noticed, as having influenced the Detroit Convention in its decision. It is true that the large majority of the delegates were

during the ten years ending in 1863, our exports to Canada amounted (in whole numbers) to \$170,635,000, and that our imports from that colony for the same period, were of the value of \$152,051,000 ; or, that our sales exceeded our purchases in the sum of \$18,584,000. With these figures, what becomes of the assertion that the Canadians 'sell to us, but go elsewhere to buy?' The truth is that under Reciprocity, and until the late rebellion, *Canada bought more of the United States than of all the rest of the world besides!* As thus: total imports from every country from 1855 to 1860 (both years inclusive) \$215,982,776, of which \$114,259,345 were from *our* ports, showing *a balance in our favor against all other nations* in these six years of \$12,535,914, or of *more than two millions of dollars annually.*"

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